Organizational Management - Organizational Structure Creation

Applies to:
SAP ECC6.0 (Release 700, SP 12). For more information, visit the Enterprise Resource Planning homepage.

Summary
HR applications touch upon many processes in an organization. This document mainly deals with the talent management of the organization. Integrated talent management processes can help you quickly find the best people for your business, effectively develop and leverage their talent, align their efforts with your corporate objectives, and retain your top performers. In this document, beginners can understand how SAP HCM deals with the process of recruiting people, scheduling their works, maintaining their personal and salary details etc.

Author: Chellamma Devi Chandrasekar
Company: Applexus Software Solutions
Created on: 10th January 2011

Author Bio
Chellamma Devi Chandrasekar is working as a SAP HR ABAP Technology Consultant in Applexus Software Solutions (P) Ltd. She has completed her Bachelor of Computer Science and Engineering.
Table of Contents
Introduction ............................................................................................................................................. 3
Objects Frequently used OM ................................................................................................................ 4
Info types .............................................................................................................................................. 5
Org Unit Creation: .............................................................................................................................. 6
Position Creation: .............................................................................................................................. 8
Job Creation: ....................................................................................................................................... 12
Assigning Job to Position: .................................................................................................................. 13
Creating an Employee (Hiring): .......................................................................................................... 15
Determination of Employee Number: ................................................................................................. 17
Related Content ................................................................................................................................... 22
Disclaimer and Liability Notice .......................................................................................................... 23
**Introduction**

Talent management can greatly improve the business planning and decision making. Managers gain the insight to identify talent gaps and predict shortfalls based on anticipated business changes. By measuring and analyzing HR programs such as those for succession and learning, we can receive valuable data that lets you refine your talent management strategies and plan for the future.

Companies should look for these essential managements.

1. **Work Force Analytics:**
   The right analytic component can collect, analyze and interpret data to reveal important patterns and key relationships associated with work force.

2. **Process Management:**
   A process management module integrates information ranging from benefits and payroll to compliance measures and employee administration.

3. **Talent Management:**
   Talent management helps HR professionals strengthen employee skill sets, identify skills gaps, retain top performers, groom employees for future opportunities, execute detailed performance reviews, create competency-based employee development programs, and align employee goals with corporate objectives for a major competitive advantage.

4. **Payroll Administration:**
   This helps companies integrate time and attendance data, calculate pay, generate paychecks, track the progress of payroll cycles and significantly reduce the number of human errors that can occur with manual processing.

5. **Benefits Administration:**
   Benefits administration module can automate payroll deductions, plan updates and regulatory reporting is a time-consuming and complex process for even the most seasoned HR manager.

6. **Time and Attendance:**
   A time and attendance module, however, can gather availability and leave requests, automatically generate schedules, process payroll rules and reconcile hours worked against a schedule with the click of a mouse..

7. **Learning Management:**
   For the organizations, E-learning, classroom training, collaborative learning, one-on-one coaching are the ways to transfer the knowledge and improve employees’ skills. By implementing a learning management module, companies can deliver, track, plan and analyze the impact of its educational programs.

8. **Succession Management:**
   Succession management technology can help by identifying untapped talent and preparing candidates for future leadership roles.

This document deals with the employee’s entire details creation involved in HCM process. The transaction codes and info types, right from recruitment are explained here. For the better understanding of the above technical contents, let us consider a scenario. If suppose a company is having a plan to recruit some peoples
for their organization. First determination of vacancy from various departments will happen (HRP - Human Resource Planning).

Then company goes for advertisement. Applicants will be undergoing selection process (Recruitment). If they satisfy the expectations of company, they will become an employee of that company and company has to maintain the employee details (Personnel management), schedule working time (Time management) and salary details (Payroll Management) etc. Now let us see the above scenario Through HCM modules.

Before creating an employee details, let us have and recall about the basic objects, info types and the transaction codes.

Organizational management combines the following modules.

- **HRP** Human Resource planning
- **PA-RC** Recruitment
- **PA** Personnel administration
- **PT** Personnel Time management
- **PY** Payroll management

Let us see how the employee’s data is segregated and stored in the organization.

Every data is stored as records in the info type tables based on the objects.

**Objects Frequently used OM**

1. Organizational units **O**
2. Jobs **C**
3. Positions **S**
4. Cost centers **K**
5. Persons **P**
6. Task **T**
7. Work Center **A**

**Organization unit**

Any Organization may have different departments, teams and groups. Grouping the employees under a specific unit will make the administration process easier. Each company will have different company code and personnel area, subarea.

Organization unit is indicated by ‘O’.

Organization unit can be created in through the following ways.

1) Organization plan (Only to create organization unit)
2) General Structure ( To create all organization objects)
3) Expert Mode ( Separate transaction codes for basic organization objects)
4) Simple Maintenance ( Only to create organization units )
Follow the below path to access the above things.
  • SAP menu -> Organizational management -> Expand any one of the above.

  (Or)
  • SAP menu Logistics->customer service->service processing->Environment->Organization->
    Any one of the above.

Evaluation path:
  ➢ The logic is that the objects are in the sequence that they are related. Thus a position is related to an
    org object and a person is related to a position. The relationships are therefore O to S and S to P or
    O-S-P. A person is not related to an Org object except through another object.
  ➢ Evaluation path describes chains of relationships that exist between certain object types to directly
    know to what organizational unit belongs an employee.
  ➢ Evaluation path can be configured in the table T778A or created thorough transaction 'OOAW'.

Position:
  ➢ Position represents a post that can be occupied by the person. Position may be occupied by more
    than one people.
  ➢ Percentage field indicates to what extent the position is occupied by the employee.
  ➢ Creating position can be done through the following transaction codes.
    1) General Structure (To create all organization objects)
    2) Expert Mode (Separate transaction codes for basic organization objects).

Job (c):
  ➢ Job describes the position. When a job is assigned to a position, it takes the task assigned to that
    job.

Person:
  ➢ Person is simply an employee who has been recruited for a particular position.

Task:
  ➢ Work to be handled by the employee.

Work centre:
  ➢ Work center is a physical work location where the task is performed.

Cost center:
  ➢ Cost Center in SAP is an organizational unit within a company that is used to track where costs
    occurred within the Organization.
  ➢ Cost Center hierarchy needs to be defined in the SAP system.

Info types
  ➢ Info types are used for recording employee data for administrative, time recording, and payroll
    purposes (segregating details in Info types groups related data fields together. All Info types have
    validity periods. Some Info types are maintained for single days, some for a small duration of period
    and some are maintained indefinitely.
  ➢ Info types are further sub-divided into (info) sub-types. Sub types make it easier for us to access and
    manage information, and assign different control features.
  ➢ Let us create an employee details through various transaction codes.
Org Unit Creation:

- Organizational unit can be created through the transaction 'PPSC. This Transaction code is only to create Org unit.
- Go to ‘PPSC’.
- Provide object type as ‘O’ and the remaining details as below. Select evaluation path as ‘Enterprise structure o-s-p’.

```
Object Type   O
Abbreviation  indosofting
Name          Indian software solutions
Evaluation Path  O-S-P
Validity period 12.10.2011 To 31.12.2099
```

- Press create button.

Exercise Structure O-S-P: Change

- If you are not able to see the ID the created Organization structure, go to view menu and make it visible by selecting on/off.
By placing the cursor on ID, Press ‘create’ option to have sub Organization structure. Using this transaction code you can able to create object alone. Other info types such as relationship, Org assignment and work schedule cannot be created. Hence let us create the related info type account assignment through ‘PP01’ for the organization unit.

- Go to transaction code pp01.
- Select Organization unit as object and info type as Acct Assignment Featured. Create it.

The next screen will be as below. Fill up the required details and save it.
Position Creation:

- Now let us create a position under the created Organizational unit.

Follow the below steps.

- Select Position(S) as Object and press create option. The below screen will appear.

We can provide position number else system will provide the internal number based on the country grouping. Press ‘Create’ icon.
Press save button. The record for the position will be created and relationship screen will appear.

- Here relationship has been possessed by system as default. We can change it as per the requirement.
- Provide relationship and ID of the created Organization Unit. Save it.
- We have not provided any number to the position. This is number given the system for this position. There are two number ranges internal and external are maintained to any object.
- Look at the above screen. Green tick clearly indicates the created info types for the position. So it is clear that we have not created the Acct Assignment Features (Personnel area and Sub Area). But this position would be deriving the Acct Assignment Features from its organization unit. Let us see this through ‘PPOME’ transaction.

- From the available info types in the initial screen, we can assign the Organization assignment, work schedule, description everything.

- Go to ‘PPOME’, double click on the position that have created just now and choose ‘Account assignment’.

- You can view the details of organization unit derived here. User can create their account assignment also.

- When they try to create Acct Assignment Feature for the position, system will show the warning given below.

- Press enter and save it. Again you can see the newly created Acct Assignment through ‘PPOME’.

- To see the number ranges for the position, just follow the below path.
  - Go to transaction code SPRO, display IMG Structure.
  - Personnel Management → Organizational Mgmt → Basic Settings → Maintain Number Ranges.
  - Execute Maintain Number Ranges. The Below screen will appear.
Select ‘01S’ row and Number range Maintenance button on tool bar. 01 indicates plan version ‘Active’ and S indicates ‘Position’.

External and internal number ranges for position are displayed in the above screen. Current number will be the position number of the position that has created recently. This number will be incremented by one each time when the position is created.

Now we need to describe the job for the position to handle.

To assign jobs to the created position, search help is available with transaction ‘PPOME’. Else we can create own jobs through the general structures (PP01) or expert mode transaction code ‘PO03’ which is used to create only jobs.
Job Creation:

Here I’m using ‘PO03’ for creating job.

Provide plan version as ‘current plan’ and execute. Enter the needed data in the screen shown.

Select info type as object and create it.

Save the above details. Job has been created. Job is described by the Task. Task can be created through PP01 and assigned through the relationship info type. I am going to use the existing Task for our job by creating the relationship info type for the job.

From PO03, Select ‘Relationship’ info type and create it. Select the task from the search help available in the field ID of the related object. Provide relationship as ‘is described by’ and save it.
Assigning Job to Position:

If we want to assign this job to the created position, we can do by creating relationship info type again. Else we can assign job from the search help to the position through the transaction code ‘PPOME’. Since we are familiar with the relationship info type creation, let me assign the job through ‘PPOME’.

Select PPOME’ and double click on the position. Under the basic data tab, job field will be ‘Not assigned’.

To assign a job, press F4, and search the job that we have created just now.
Our job is been assigned to the position. When we assign the job through the 'PPOME', system will not ask for relationship. As a default, it provides 'is described by' relationship to the job for position, since we trying to assign job to position so the process flow will be position to job.

- Assigning job to the position, then the relationship is 'Describes'. (Through PO03)
- Assigning position to the job, then the relationship is 'is described by'. (Other than PO03).

Now our job is having two records for relationship info type. For clear understanding, see the below screen.

Next, the position has to be filled by an employee. So we are going to hire a person through transaction PA40. Provide personnel number externally or system will provide internally. This internal and external number range assignment depends on the country grouping.
Creating an Employee (Hiring):

Having the focus on above detail, let us hire a person through PA40.

Select action type as ‘HIRE’ and execute it. It will take you to another screen to enter employee details.

In the above screen, we have not given any details other than position, Employee group and sub group.
When we try to save, a warning message will be displayed to indicate the personnel area and sub area assigned to the position will be used for the person also.

Save the details. You will be guided to the next screen with personnel number created.

Just fill up the details (Mandatory is enough) and save it. Next screen for Family members/Dependents will be appearing. If you want, fill up the details. Else skip it by clicking the Exit button. After the explanation of employee number assignment let us see the remaining process.

Here ‘30010’ is provided by the system based on our personnel area and subarea details. Let us see it in detail.
Determination of Employee Number:

Go to transaction code ‘PA04’.

This transaction is only to maintain the personnel (Faculty) details. Just display the intervals and have a look on this. We can create own number ranges through customization.

Our employee number lies between 30000 and 39999 (06). (Created through customization).

‘30010’ indicates the recently used employee number. (Up to 30010, Employees are filled).

Which internal or external NR will come into role, depends on the country grouping maintained through features. Let us have a quick look on features through ‘PE03’. Before that, let us collect the details of country and ‘MOLGA’ field value corresponding to the personnel area, Sub area and company code.

Execute the table T500P in display mode. Give the personnel area or company code as input and get the details of country.
It is clear that personnel area that we used belongs to US and MOLGA IS ‘10’. To see the grouping follow the below details.

Go to ‘PE03’ and select the feature ‘NUMKR’ which for action info type. The reason to use ‘NUMKR’ is, we hired a person for position through ‘Action’ info type. Display the feature and expand the USA grouping.

Now the thing about personnel number assignment is clear. User can create number ranges, personnel area sub area and company code through customization. Let us continue with the ‘Hiring’ process.

Again having the focus on hiring, after providing all the necessary details, save it and move to the next screen which you want to create by skipping rest of the things. Here we are giving only the address details. I have skipped the family members and dependents screen. Now I’m continuing the process with Organization assignment.
'Org Structure' button on the tool bar will provide the details about the structure of the organization.

Assignment button will give the list of position and organization unit to confirm under which this person should be placed. Save the entries.

Fill the next screen with address details of employee and save it.

Once we recruited an employee, we need schedule his work.

Skip up the next screen and schedule the work and time of the employee as below.
By clicking the Work schedule button, we can schedule the work.

Salary details for the employee are created through info type Basic pay.

Screens are skipped up to Basic pay detail screen.

Annual salary will be automatically calculated. We can create other wage type amounts, payments, Deduction also.

After saving, a screen will be asking for enrollment of different plans.

Continue by accepting the enrollment process. Select ‘Get offer’, plans listed and accept the plans.
Plans marked are enrolled for the employee by pressing 'enroll'.

After receiving the success message for enrollment, back to the previous screen.

Fill up the details such as bank and absence quota to indicate employee's eligible leaves. Save it.

Now we have finished the cycle of creating organization structure.

To see the entire organization structure, transaction ‘PPOME’ is executed, find out the organization unit and expand it. You will get the structure created.
Related Content

Overview for Beginners
Human Capital Management
Simple and Detailed Maintenance

For more information, visit the Enterprise Resource Planning homepage.
Disclaimer and Liability Notice

This document may discuss sample coding or other information that does not include SAP official interfaces and therefore is not supported by SAP. Changes made based on this information are not supported and can be overwritten during an upgrade.

SAP will not be held liable for any damages caused by using or misusing the information, code or methods suggested in this document, and anyone using these methods does so at his/her own risk.

SAP offers no guarantees and assumes no responsibility or liability of any type with respect to the content of this technical article or code sample, including any liability resulting from incompatibility between the content within this document and the materials and services offered by SAP. You agree that you will not hold, or seek to hold, SAP responsible or liable with respect to the content of this document.