SAP Solution Brief
SAP ERP

SAP ERP Human Capital Management

Identify, Develop, Reward, and Retain Talent with Integrated Talent Management

Quick Facts

Summary

Identifying, developing, rewarding, and retaining talent is critical to the success of your business – especially as priorities shift from cutting costs to driving growth. Can your HR department swiftly meet business-critical talent requirements? If you're relying on inefficient, stand-alone systems and data sources, most likely not. But with the talent management functionality of the SAP® ERP Human Capital Management solution, you can make the most of the people in your organization.

Business Challenges

- Meet needs of a global, mobile, multi-generational workforce
- Increase organizational performance
- Avoid loss of key contributors and talents

Key Features

- **Talent analysis** – Gain insight into key figures and trends
- **Competency management** – Develop skills needed to achieve organizational goals
- **Recruiting** – Find and hire the right talent
- **Performance management** – Align workforce with organizational goals
- **Talent assessment and review** – Identify and cultivate key contributors
- **Employee development** – Create development plans and track progress
- **Learning** – Deliver custom training to close individual knowledge gaps
- **Succession management** – Identify, develop, and track high-potential employees
- **Compensation management** – Implement innovative reward strategies and link pay to performance

Business Benefits

- **Improved organizational performance** by aligning individual and team goals with organizational goals
- **Motivated employees** through individualized objectives, career and development plans, and compensation tied to performance
- **Improved decisions** about talent development
- **Strong global talent pool** across the entire organization through effective retention and employee development efforts
- **Reduced maintenance and upgrade cost and effort**, thanks to an integrated solution

For More Information

Call your SAP representative, or visit us online at www.sap.com/talentmanagement.

As the economy improves, priorities are shifting from reducing costs to investing in resources to drive growth. Does your business have the talent management capabilities needed to swiftly meet business-critical talent requirements? If you're relying on inefficient, stand-alone systems and data sources that aren't integrated with enterprise planning and management software, most likely not. But with the talent management functionality of the SAP® ERP Human Capital Management solution, now you do.

THE TIDE IS TURNING – ARE YOU READY?

HR departments throughout the world are struggling to answer the following questions:

- Do I have the right talent to reach our organizational goals?
- Who are my top performers and potential successors?
- How do I retain my best talent?
- How can I ensure that my organization's compensation strategy is easy to understand and put into practice by managers?
- What's the best way to determine my employees' skills gaps and develop programs to close those gaps?

SAP can help – with the SAP® ERP Human Capital Management (SAP ERP HCM) solution. This software offers a holistic approach to talent management that helps you gain deeper insight into needs, remove barriers between traditional HR practices, and integrate processes across your organization.

INTEGRATED TALENT MANAGEMENT BRINGS IT ALL TOGETHER

SAP ERP Human Capital Management offers talent management functionality that's fully integrated with human capital management and other business processes to help you more effectively manage your talent. And because all supported processes leverage the same centralized data source, everyone works from a single, trusted source of truth.

It's never been easier to determine talent requirements across your business, compare current employee profiles with actual positions, identify skill and knowledge gaps, and tie them directly to development plans driven by business strategies and objectives. With SAP ERP HCM, you can also perform succession planning for important positions; for example, HR staff can identify high-potential employees and help them get on track – and stay on track – to fulfill new roles when needed. SAP ERP HCM also enables you to motivate employees by specifying individualized objectives and compensation programs and tying them to performance. By aligning individual and team objectives with organizational goals, you can contribute to consistent achievement of corporate goals.

TALENT MANAGEMENT PROCESSES SUPPORTED BY SAP ERP HCM

SAP ERP HCM supports all key talent management processes.

Talent Intelligence

To better manage your people, you must have a clear picture of what talent is needed, where it is needed, and when it is needed. Only when you're armed with this information can you start to think about **who** should be hired or transferred to meet specific needs. This requires having accurate, complete talent data – which many organizations lack – as well as tools to help you turn data into actionable insight.

That's why SAP ERP HCM integrates HR data, talent data, and organizational data to help you fully analyze and understand the needs of your organization. The solution uses content from the SAP NetWeaver® Business Warehouse component, which prepares and stores data that can be used to populate reports and dashboards and support analytics. Easy-to-understand dashboards deliver visualizations of key performance indicators and provide real-time insight into the following areas:

- **HCM key metrics** – View the most important key figures, such as headcount, the number of hires and firings, recidivism rates, and total compensation for talent categories
- **Succession planning** – Monitor successor bench strength and succession planning for all key positions
- **Talent supply, compensation, and utilization** – Review the number and personal development of talents by organizational unit and total compensation and analyze staffing of key positions
- **Performance and potential** – Assess the current potential and performance of employees by organizational unit
- **Organizational strengths and risks** – Use a grid to understand the distribution of performance versus potential and get an overview of various risks and potential indicators
- **Skills and competencies** – Access an overview of the skills and competencies of all employees as well as position requirements across the organization
- **Learning activities** – View the courses employees have attended, plus all course bookings

And if your organization needs the flexibility to modify the dashboards that come with the software, you can deploy SAP BusinessObjects™ Dashboards software, which gives you the tools needed to customize them.

Competency Management
Organizations must be able to identify and develop the skills and competencies needed to successfully align their workforce with their business strategy. Competency management functionality forms the foundation for all your talent management processes. The software enables you to compile a competency catalog and supports you defining and then linking and assigning key competencies throughout your job architecture – a job catalog with functional areas, job families, jobs, and positions. You can compare an employee's qualifications with the requirements of a position to determine suitability and leverage profile matchup for identification of potential successors.

Recruitment
The Web-enabled SAP E-Recruiting application accelerates and streamlines the recruiting process, enabling you to build up and source from a qualified, global pool of internal and external talent. Recruiters can take advantage of this talent pool to find the staff they need quickly and collaborate closely with hiring managers throughout the hiring process. Applicant-tracking and reporting functions help organize the processing of job applications and monitoring of the effectiveness of the recruiting organization. A collaboration platform lets you link to external applications, such as job boards and recruiting service providers, and to internal software.

Employee Performance Management
Employee performance management with SAP ERP HCM helps you plan, assess, improve, and analyze the performance of your workforce. You can align an individual employee's objectives with corporate goals by cascading your enterprise strategy; assessing and managing performance via feedback, development, and appraisals; and rewarding employees accordingly.

The solution is highly adaptable, allowing you to tailor both the content of your performance feedback processes and documents to the needs of your organization. A consistent, user-friendly interface encourages collaboration among employees, managers, mentors, and other partners.

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Talent Assessment and Review
Through a structured and impartial approach supported by the software, line managers across your organization can assess talent, employee potential and competencies, and the risk of losing talent. Wizards allow you to define useful assessment templates.

You can hold talent-review meetings and support your high-level managers as they calibrate the performance and potential of the individuals nominated. The solution also helps you make high-quality management decisions about talent development, succession, and career planning. The result is greater employee motivation, which means improved retention of key talent.

Employee Development
Functionality for employee development supports you in creating short- and long-term development plans for employees as well as tracking and monitoring their progress. Profile matchups with positions allow you to pinpoint skill and knowledge gaps, which, in turn, can be tied directly to training plans that address each employee's development needs.

Learning
The SAP Enterprise Learning environment provides training participants with Web-based, virtual, and classroom training. It includes a learning portal, an instructor portal, learning management software, a test author, tools for structuring e-content, and support for content management and collaboration. The virtual learning tool is powered by SAP Acrobat Connect Professional applications by Adobe. Using the software, you can tailor learning paths to meet the educational needs and learning styles of each employee. Analytical functionality lets you plan, track, and measure the impact of training.

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Succession Management

SAP ERP HCM lets you avoid business disruption when key positions are vacated by helping you proactively identify, develop, and track high-potential employees best suited to fill those positions. You can prepare future leaders for new positions from within. You can identify successors for key positions before the positions are vacated. In addition, the SAP Talent Visualization application by Nakisa helps you make better-informed decisions about your talent pipeline and successor rankings. This Web-based application provides real-time, in-depth visualization and execution of succession plans so that you can effectively align talent goals with your business strategies.

Compensation Management

The software supports line managers, high-level managers, and HR staff in carrying out compensation-related tasks. You can also implement innovative reward strategies such as pay for performance, variable pay, and long-term incentive programs. And support for setting up guidelines for your enterprise's compensation policy helps ensure that it conforms to overall corporate strategy.

FIND OUT MORE

For more information on how SAP ERP HCM can support your business, call your SAP representative today or visit us on the Web at www.sap.com/talentmanagement.