

# American Airlines: Best Practices in Workforce Separations



## Challenge

With over 650 planes and 74,000 employees, American Airlines ranks as one of the world's largest airlines. However, in 2002 they faced reduced demand for airline travel, so needed to rapidly reduce staff by 5%. Among their workforce challenges:

- Thousands of reductions were required to meet financial constraints
- Existing processes were slow, manual, error prone and inadequate for handling complex workflows. These process issues delayed information communication and distribution.
- Workforce reductions included both voluntary and involuntary programs that involved multiple unions and work groups
- Compliance with federal and state regulations added complexity

## Solution

American Airlines selected Transition Manager from HumanConcepts because of its proven ability to manage the transactions associated with the entire RIF process, and because the system incorporated best practices in decisions, management, compliance and communications. Key benefits included:

- Consistency and transparency
  - Centralized online system ensured all forms were consistent and current
  - Historical information for past programs was stored to maintain records and audit trails
- Worldwide access to program information
  - Online access for all departments and locations
  - Access to both voluntary and involuntary reduction programs
- Close teamwork with Transition Manager personnel
  - Straightforward system set-up and customization to specific business rules
  - Seamless data integration with American Airlines' HRIS
- Rapid rollout
  - Tested with two workgroups to quickly demonstrate value
  - Deployed company-wide

## Results

Achieved targeted staff reductions quickly, efficiently, and with full compliance. Accordingly, American Airlines continues to use Transition Manager to this day.

- Successfully completed the original reduction and subsequent events in weeks instead of months
- Automated workflows to drive significant ROI
  - Reduced time to off-payroll by 16 days, saving millions of dollars in payroll expense
  - Eliminated errors and overpayments
- Minimized risk, adverse impact, and litigation with no legal complaints or actions after RIF. Documented compliance at all levels.
- Set up a consistent, transparent process to use on ongoing basis
  - Centralized management and control
  - Real-time process visibility for management and stakeholders
  - Maintained all forms online
- Established "best practice" processes for continual workforce right-sizing
  - Used Transition Manager for recent rollout of new voluntary reduction program
  - Processed 1,100 employees in a few weeks