

Success Story: American Airlines

American Airlines®

Industry

Transportation

Employees

74,000

Solution Focus

Workforce Separations

Product

Transition Manager

Challenge

American Airlines is one of the world's largest airlines, currently with a fleet of 650 planes and 74,000 employees. They needed to reduce staff by 5% due to difficult economic times and reduced demand within the airline industry. Their team faced many hurdles:

- Thousands of reductions were required to meet financial targets.
- Existing processes were slow, manual, and error prone, making them inadequate for coordinating complex workflows across the company. This delayed information communication and distribution.
- Reductions included both voluntary and involuntary actions involving multiple unions and work groups.
- Compliance with federal and state regulations added complexity and risk.

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
 - Ability to apply agreed business rules and processes to all RIF programs
 - All historical information easily accessible
- A single online platform
 - Consistent access for all departments and locations
 - Voluntary and involuntary reductions programs supported in same interface
- Close teamwork with Transition Manager team
 - Quick system set-up and customization to company-specific business rules
 - Seamless data integration with American Airlines' HRIS
- Rapid rollout
 - Tested with two workgroups to quickly demonstrate value
 - Deployed company-wide within months

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
- Minimized risk, adverse impact, and litigation
 - 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
 - All forms maintained online to help mitigate legal actions
- Significant cost savings and avoidance
 - Reduced time to off-payroll by 16 days, saving millions of dollars in payroll expense
 - Eliminated errors and overpayments
- Established "best practice" processes for continual workforce adjustments
 - Used for recent rollout of new voluntary reduction program
 - 1,100 employees processed in a few weeks

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