SAUDI ARABIAN AIRLINES

WORLD-CLASS CARRIER TRANSFORMS HR INTO A WORLD-CLASS OPERATION WITH SAP® SOFTWARE

"We are taking full advantage of the solution's functionality to establish a global HR operation that is second to none."

Hatem Bakheet, Human Capital Management Leader, Customer Center of Expertise, Saudi Arabian Airlines

QUICK FACTS

Company
- Name: Saudi Arabian Airlines
- Headquarters: Jeddah, Saudi Arabia
- Industry: Aerospace and defense
- Products and services: Air carrier services operating in over 80 locations
- Employees: Around 35,000
- Web site: www.saudiairlines.com

Challenges and Opportunities
- Standardize complex workforce processes in compliance with regional and global requirements
- Manage all training activities within an integrated human capital management (HCM) operation
- Maximize employee development and productivity
- Make personnel cost planning more flexible and cost-effective
- Reduce cost, time, and maintenance of HCM-related processes

Objectives
Establish efficient, integrated global HCM operations with a single enterprise solution

SAP® Solutions and Services
SAP® ERP Human Capital Management solution

Implementation Highlights
Deployed in phases to 8 different strategic business units

Why SAP
- Ability to integrate and standardize all global HCM processes while meeting local and regional needs
- Comprehensive reporting and analytics options
- Simplified and centralized data maintenance
- Employee and manager self-service tools

Benefits
- Automated talent management processes and effective talent management strategy
- Complete and detailed view of organization based on roles
- Support for organizational change
- Ability to control, manage, and analyze training activities, from preparation to planning and execution through completion, in an integrated fashion
- Ability to handle complex workflow processes in compliance with Saudi policies and procedures
- Standardized processes, including payroll to reflect Hijri and Gregorian calendar
- Greater employee satisfaction
- Increase in employee productivity
- Better communication of company goals and values
- Improved decision making
- Efficient administration of personnel data, cost planning, and employee working times; lower administrative costs
- Strong HR data integrity and reliability
- Robust analytics and reporting

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To support rapid organizational change and empower its 35,000 employees, Saudi Arabian Airlines (SAA) needed to consolidate and streamline its HR processes. By deploying the SAP® ERP Human Capital Management (SAP ERP HCM) solution, SAA has transformed its global operation with improved productivity and service. "SAP ERP HCM helps us perform better – for our customers and our employees," says Hatem Bakheet, human capital management leader at the Customer Center of Expertise (Customer COE) organization at SAA.

Charting a New Course with Human Capital Management

SAA is the national airline of Saudi Arabia. Since its start in 1945, it has expanded worldwide, achieving the highest levels of safety, efficiency, and customer satisfaction. To continue delivering excellence and value to its customers, the state-owned airline transformed itself into several separate but complementary private companies. These strategic business units (SBUs) include airline service, technical services, holding facilities, ground services, catering, cargo, medical services, and the renowned Prince Sultan Aviation Academy.

Unfortunately, SAA's legacy IT infrastructure could not support its privatization strategy. "We were undergoing rapid organizational change, and our legacy systems could not keep up," says Bakheet. Isolated IT systems used for core business functions, particularly HR, needed to be replaced by a single, reliable, and integrated solution. That's why the airline turned to SAP ERP HCM. "We have about 35,000 employees, who are deployed in more than 80 locations, working in very diverse strategic business units," says Bakheet. "Through our Customer COE, we have a single solution that helps us empower all of our people via tools for self-service, career development, organizational visibility, and training."

Enabling Employee-Centered Visibility and Training

In addition, SAA needed the ability to view its global operations by employee role, so managers could make timely and informed decisions about employee development and succession and career planning. With SAP ERP HCM, the air carrier can view its entire organizational hierarchy across geographies and business units and better understand its workforce.

Employee training is another critical need for SAA. "We feel our success is directly linked to a constant investment in our workforce," explains Bakheet. The company delivers comprehensive training in three areas: at the corporate level, with a focus on business processes and IT; for its fleet service, to cover maintenance, repair, and overhaul training needs; and for its pilot team and other crew members, with courses conducted at the Prince Sultan Aviation Academy.

The HCM team at SAA's Customer COE wanted to satisfy the full range of training needs for its SBUs, including development of course catalogs, bookings, e-learning, and more. At the same time, the team also needed the right IT tools to help the air carrier meet its unique HR-related requirements, such as the ability to process payroll based on the Hijri calendar as well as the Gregorian calendar.

Navigating a Large Implementation

Saudi Arabian Airlines used a phased approach to implement SAP ERP HCM, first piloting the solution in select strategic business units, including ground services, catering, and cargo, and then continuing the rollout to the remaining business units. "We had to make changes to our business processes and organization along the way," says Bakheet. "But we were able to keep customizations down to a minimum because our executive strategy is to fully support HR best practices. This was particularly crucial for areas where we did not have established procedures, like personnel cost planning." In the final phase, SAA established the Customer COE to provide leadership for ongoing development and

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to deliver comprehensive training and provide IT and business-user support.

Empowering the HCM Team with a Full Portfolio of HCM Services

Today, Bakheet and his HCM team at the Customer COE are managing the entire HR line of business for SAA. "We are taking full advantage of the solution's functionality to establish a global HR operation that is second to none," he explains. The HCM team is using this functionality to support four key service areas:

- **Workforce process management** – employing the solution's functionality for organizational management, personnel administration, time management, and payroll processing
- **Talent management** – employing the solution's functionality for e-recruitment, enterprise learning management, personnel development, and enterprise compensation management
- **Workforce planning and analytics** – employing the solution's functionality for strategic planning and alignment, personnel cost planning and simulation, and personnel data management
- **End-user service delivery** – employing the solution's functionality for employee and manager self-service, interactive forms, and the employee portal

The HCM team is able to provide all of the above services to the SAA workforce while greatly reducing administrative costs and effort. This is made possible by the fact that all HR-related information is centrally managed with a full suite of automated data-integrity and validation checks. The HCM team is also using that information to achieve new insights into employee and organizational performance. "We can now see the entire organization based on role," says Bakheet. "We can depict these roles as qualifications and better match them to the skill sets of our employees."

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Hatem Bakheet, Human Capital Management Leader, Customer Center of Expertise, Saudi Arabian Airlines

Streamlining Turbulent Processes

SAA has enforced a clear and accurate view of critical workforce metrics, including employee turnover, retention rate, available talent pool, and employee performance. The HCM team is using this insight to evaluate and improve HR processes enterprise-wide. For example, the HCM team is leveraging the personnel development functionality in SAP ERP HCM for career and succession planning.

In addition, the team has optimized SAA's highly complex payroll operation. Payment and remuneration calculation processes are now fully supported and standardized. Payroll can also be processed to support both Hijri- and Gregorian-based calendars and to reflect regular, recurring, and ad hoc payments and deductions. At the same time, the airline has complete flexibility in designing and implementing different remuneration strategies – for example, as per specific employee role or salary structure.

Becoming a Model for Global HCM Operations

SAA is using all of the solution's functionality to streamline and integrate essential workforce processes around the globe. In fact, the airline has become a reference model for globally deployed and well-supported HR operations due to the HCM team's strict adherence to industry best practices. "We receive a lot of visitors from different companies at our Customer Center of Expertise," says Bakheet. "We can show them how to optimize processes based on our past experience and how to deliver services and support to employees."

SAA employees appreciate that support. For example, managers and planners now have automated tools that give them a clear view of employee roles across company operations, while flexible, real-time analytics help improve scenario planning and decision making. And, with SAP ERP HCM, employees no longer spend valuable time performing manual data validation tasks. The result: improved efficiency and timely reporting that is trustworthy. HR data and reports can also be easily disseminated to SBUs that are using non-SAP applications.

Taking Wing with Innovation

Moving forward, Saudi Arabian Airlines has the software infrastructure it needs to continuously improve business processes. One of the key goals planned

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by the HCM team is to help employees become more self-sufficient via SAP ERP HCM self-service tools for activities like daily tasking, benefits and career planning, and training. "We can even send training notifications to our employees' cell phones," explains Bakheet.

The team also plans to implement SAP Interactive Forms software by Adobe to replace various paper-based HR tasks as well as the SAP Organizational Visualization application by Nakisa to enable intuitive HR modeling. "As Saudi Arabia's flag airline, we have a responsibility to provide exceptional service to the public and to the nation," says Bakheet. "Our ongoing HCM transformation is helping us live up to that responsibility."

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