

## **Education and Performance in Aviation: Realising and Sustaining Benefits**

Presented by IATA



## **IATA Aviation Human Resources Report 2018**

Exploring recruitment, retention and staff  
development in the aviation industry

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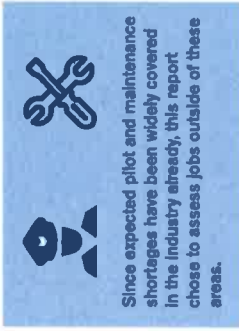
## Executive summary - Five key findings

The aviation industry is rapidly evolving. As it does, the demand for talent within the industry – from customer service to ground operations – will also evolve. But what does the future demand for talent look like, and how well prepared is the industry to conquer upcoming challenges?

This report is based on a survey of over 100 leading industry HR professionals at airlines, airports and ground service providers. These professionals are responsible for the training and development of staff around the world, representing all geographic regions and a range of organizational sizes.

Here are 5 key things you need to know from what they told us:

- 1. Significant growth in jobs is forecast**  
Staff numbers in the industry are set to soar both in the short- and the long-term, driven by a strong increase in passenger numbers. Three job roles emerged as having the highest anticipated growth in demand.
  - a. Ground operations
  - b. Customer service
  - c. Cabin crew
- 2. Finding new talent is a much bigger challenge than dealing with retirements.**  
48% of HR professionals in the industry say that recruitment is the biggest challenge they face compared to just 5% saying retirement. Specifically, the biggest recruitment challenges are:
  - a. The availability of applicants with the right skill levels and qualifications
  - b. The salary demands of new applicantsWith recruitment already a major challenge, strong retention of talent (quoted as the biggest challenge by 25%) will be vital to prevent this becoming further heightened.
- 3. Current training initiatives are not effective enough.**  
In addition to their salary, job applicants prioritize training and career development opportunities as most important. However, HR professionals do not think the aviation industry is adequately meeting this demand. In particular, the quality of training programmes is not seen to be good enough: only 28% of HR professionals say that current training is very effective. Many organisations report that they will be looking for increased help from external partners to improve the effectiveness of training.
- 4. Providing training in safety and customer service skills are higher priorities than IT and digital skills.**  
As basic digital skills become commonplace in the market, twice as many HR professionals say that safety and customer service skills are priorities for training and development compared to IT and digital skills.
- 5. Technology is changing, not replacing, the customer service role.**  
With self-service options on the rise, traditional customer service roles of check-in and gate agents will evolve and remain an integral part of the industry as organisations seek to deliver a smooth, hassle-free and enjoyable experience throughout the entire passenger journey.



# Part 1: Setting the scene

In the future, what might the passenger experience in the aviation industry look like?

- 'Robot guides' in terminals, on-hand to answer passenger questions and provide traveller assistance?
- Passengers using mobile apps to pre-order food and gifts for collection at the airport or to be served on their flight?
- Biometric identification automating customs and border control to simplify and speed-up journeys?
- Electronic, re-usable, bag tags, linked to mobile apps, enabling passengers to automatically check-in their bags whilst also avoiding paper waste?

It might surprise you to know that all of these are already happening. And furthermore, whilst these developments are set to become mainstream, they barely begin to even scratch the surface of the potential changes in the industry.

Prospective game-changing innovations in aviation are numerous and rapidly evolving. Driven by technological, societal and environmental pressures, IATA's [Future of the Airline Industry](#) report outlines various scenarios that might affect the aviation landscape in the next twenty years.

Whatever the industry ends up looking like though, one thing is certain: these changes will have significant impacts on the personnel who work in aviation. And not just pilots (who often dominate the headlines) but cabin crew, ground staff, customer service teams, administrators, financial staff and many more. With around 10 million people directly employed by the global air transport industry, the list goes on.

To best prepare the industry for the coming changes, it is therefore vital that we understand the long-term trends, priorities and challenges related to staffing. This report is based on a survey of over 100 leading industry HR professionals at airlines, airports and ground service providers. These professionals are responsible for the training and development of staff around the world, representing all geographic regions and a range of organizational sizes

We hope you find this report interesting and useful.



# Part 2: Employee numbers are taking off

**Let's start with the view from 35,000 feet:** in terms of pure numbers, the aviation industry is set to become a much more crowded workplace over the coming years. Across a wide spectrum of job roles – from ground operations to customer service, finance to security – the respondents to our survey overwhelmingly indicated that they expect staffing numbers to increase over the next two years.

In particular, there are three areas where especially high growth in job numbers are expected: ground operations staff, customer service professionals and cabin crew.

**Percentage of respondents expecting growth in each area in the next 2 years:**



And this growth is not just a short-term spike. Our interviewees were adamant that job growth is here for the long term. In addition to the job roles outlined above, the need for regulatory and security roles is also expected to surge over the next 10 years.

**Percentage of respondents expecting growth in each area in the next 10 years\*:**



\*Respondents also expect growth in Regulatory (63%) and Security (65%) in the next 10 years.

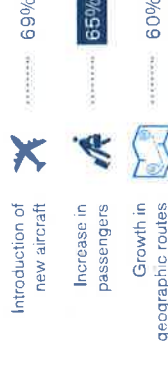
**So what is causing this growth?** Job growth and demand is dependent upon a wide myriad of interlinked factors, which can differ depending on the exact job role in question. However, one consistent driver of growth across all job role areas in aviation is seen to be the anticipated increase in passenger numbers. Over the next 20 years, IATA forecast a near doubling of the number of passengers flying today, i.e., an additional 3.8 billion, and the respondents to our survey are clear that this will result in the need for significant numbers of additional staff.

**Factors that cause an increase in job roles in each area:**

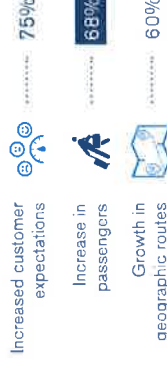
**Ground operations**



**Cabin crew**



**Customer services**



The regional view:



The need for additional cabin crew, ground operation staff and customer service staff is expected to grow particularly strongly in Africa, Asia-Pacific and Middle East. These are also the regions with the highest predicted growth rates according to the IATA 20-year outlook for 2018.



Passenger growth and job growth is not a perfectly linear relationship though. Cost-reduction initiatives and the introduction of more efficient practices both have the potential to decrease job numbers in some areas.

According to our interviewees, the job roles most at risk are Management, and Finance & Accounting. When it comes to Management roles, 57% of interviewees believe cost reduction initiatives may lead to job cuts, whilst, for Finance & Accounting, 61% of interviewees think the introduction of more efficient practices could reduce staffing levels. Key here, as stated in the IATA report *Sustaining Aviation Industry Achievement: Sustaining Financial Health*, is upskilling finance personnel to transform the role from what might currently be considered an 'administrative' one to more of a 'value-add'.



## Self-service will change customer service, not destroy it

One area in the midst of a significant change is customer service, as new self-service systems and technologies take hold. According to the 2016 [SITA Airline IT Trends Survey](#), three out of four airlines have already made check-in and boarding passes widely available through mobile apps and these services will become almost universal – surpassing the 90% mark – by 2019. There is also significant growth expected in the coming years around baggage and boarding self-service solutions.

In our survey, 68% of HR professionals expect that the greater use of customer self-service options on passenger mobile phones to reduce demand for customer service workforces. 59% say the same for in-airport self-service options.

Given this rise of automation and self-service, how is it that customer service roles overall are set to increase in number? The answer is that the rise of self-service and automation isn't eliminating customer service roles, rather it is changing the job description – arguably making it more important than it has been historically.

In 2014, the US Bureau of Labor Statistics reported that employment of customer service representatives was projected to grow 10% from 2014 to 2024, faster than the average for all occupations. They attributed this growth to an expansion of what it means to be a customer service professional.

A good example of where we have already seen a technology-driven change in the job description of customer service staff is the retail industry. In many stores, previously till-based staff have become more flexible, moving around the shop, interacting with customers, answering queries and taking payments, all on-the-go with the help of mobile devices.

As traditional customer service roles (such as check-in) are automated or become self-served, fewer staff will be needed behind fixed desks. Instead, customer service in aviation is set to become much more about interacting with customers at any point in their journey, answering complex questions on the spot, and improving their overall in-airport and in-flight experience.

In the next  
**10 years**  
check-in  
personnel and  
gate agent roles  
are expected  
to transform,  
according to  
aviation HR  
professionals



“With new technology, I don't think customer service professionals will ever become obsolete; instead, their roles will change. Often people talk about how the check-in agent will disappear as technology takes over and allows the customer to check themselves in. But what you will still need is people available to guide and help the customer and to advise them when they need help. Technology on its own is not enough to provide excellent customer care.

I remember in the early days when self-check-in machines first came in, a customer survey asked people if they'd prefer to be checked-in by a machine or a person. The preference was for a machine but the really interesting bit was the reason given: it was because the machine couldn't be rude to them! That was a big wake up call to me. It proves that customer service is the single most important thing in the air travel experience. What this doesn't mean is that technology is always the answer but rather that customers want to deal with people who will be nice with them!

As an airline, we need to find out where the new touchpoints are that we can bring in customer service to support and complement technology to make the overall customer experience quicker and more enjoyable.

**Brendan Noonan**  
Vice President - Talent Development  
Qatar Airways Group

Simultaneously, technology also opens-up new customer service channels. Queries and complaints continue to migrate away from in-airport desks and phone lines, through websites and emails, and on to social media and mobile communication apps like Twitter and WhatsApp. Who would have predicted a decade ago that Twitter would now be the most prevalently used platform for airline customer relations?

Unlike the original channels, these new platforms are 24/7 channels, that not only enable comments to be made but also make them instantly available to the wider public (and therefore potential news stories and brand influencers). As such, they must be constantly monitored and managed by highly skilled customer service professionals – as a January 2018 [Financial Post article](#) explains.

The check-in agent may be facing the threat of extinction, but the customer service role lives on stronger than ever.

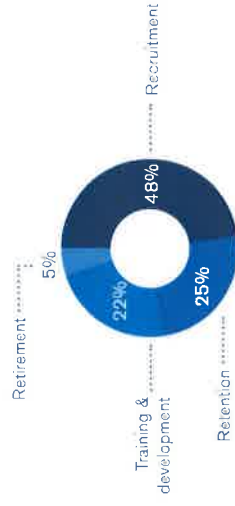


# Part 3: Attracting and retaining talent - the challenges

Staffing demands in aviation are set to rise. This makes retaining and upskilling staff especially important so that the deficit doesn't grow. However, even should perfect retention be achieved, there would still be an urgent need for additional human resource to meet the increasing demand.

The challenge facing the industry is that recruitment is tough. Compared to dealing with retention, training and development and retirements, recruitment is by far the biggest challenge across every region of the world.

**Percentage of respondents ranking each area as the greatest challenge:**



Two things in particular make recruitment difficult in the industry:

- The availability of applicants with the right skill levels/qualifications (39%)
- The salary demands of new applicants (28%)

In other words, the industry is struggling to afford the people they desperately need.

Skills and salary challenges in recruitment are not just a niche trend for specific job roles. Rather they are also perceived to be the challenges that will get more severe for each of the three highest growth job roles in the future.

	#1 Increasing challenge	#2 Increasing challenge
<b>Ground operations</b>	46% Suitable skills	44% Salary demands
<b>Cabin crew</b>	42% Salary demands	35% Suitable skills
<b>Customer services</b>	42% Suitable skills	44% Salary demands

## Airline pilot retirement

The emphasis on recruitment over retirement for most aviation industry roles comes in stark contrast to pilots, where the CAE Airbus Pilot Demand Outlook report pulls out retirement as a key challenge facing the industry.

"The aviation industry is an attractive industry for young people, especially in China - it's a dream to fly. Young people are so curious about the industry, they think the industry is active and exciting. However, the aviation cargo industry is quite traditional, particularly when it comes to roles and regulations, making it a less attractive or exciting career prospect when compared to other industries, such IT or Finance."

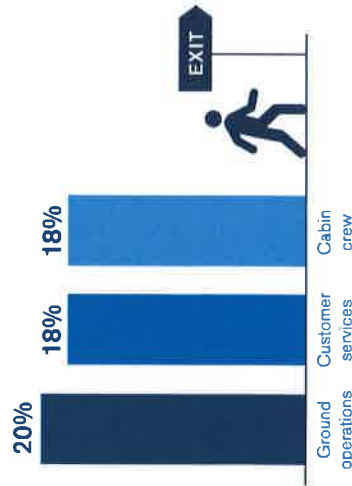
## Li Wang

Deputy General Manager of HR  
Air China Cargo

**With recruitment a major challenge, retention of current employees becomes even more critical.** It's of no overall benefit bringing in new staff if just as many leave during the same time. The volume of talent leaving the industry therefore needs to be kept to a minimum – retention must be a priority.

It is worrying that our survey respondents not only confirmed that there is significant staff turnover, but that this is highest in the three areas most in need of additional staff: ground operations, customer services and cabin crew.

**Staff turnover in key areas per year:**



If the challenge wasn't already great enough, over three quarters of our survey respondents (77%) also said that it is becoming even more difficult to retain talent.

This perhaps shouldn't come as a surprise. A common trend noted about the new millennial workforce is greater fluidity: a 2016 LinkedIn study suggests that graduates now work at twice as many companies within their first five years of employment than was the case twenty years ago.

**So, what can the industry do to ensure that people aren't tempted away?**

**77%** of respondents say that it is becoming harder to retain talent

Our research suggests that focussing on the training and development of staff is an excellent place to start.

**Volume of applications**

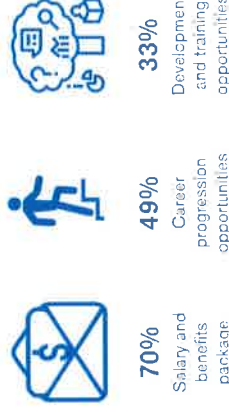
An additional challenge that is unique to those managing cabin crew recruitment is an 'overload' in the pure volume of applicants. Over one in three of our survey respondents (35%) expect of applications received for cabin crew roles to become more challenging over the next few years (higher than in any other job role). As a result, some airlines are already turning to technology to help streamline application processes. Emirates, for example, have introduced a new candidate screening process that utilises digital technologies including online tests and video interviewing.



# Part 4: Attracting and retaining talent - the solution

A high-quality training and development programme is fundamental to attracting and retaining staff. After basic salary, our survey reveals that the most important factors for new applicants to the aviation industry are career progression and development & training opportunities.

Percentage of respondents selecting each factor in the top 3 requirements of new applicants:



As a recent **Gallup study** confirms, development and training are of particular importance to the younger workforce generation: 59% of millennials report that opportunities to learn and grow are 'extremely important' to them when applying for a job, compared to 44% of Gen X and 41% of Baby Boomers.

A strong training and development offering could therefore hold the key to solving future staffing challenges in the industry. However, HR professionals worry that the industry may not be able to live up to this mantle unless changes are made.

When asked what important advantages there were to a job in the aviation sector as opposed to other sectors, both career progression and development opportunities scored relatively poorly.

"When we're recruiting from the labour market, we are obviously being compared directly with other companies. One of the key areas that we are being compared on is career development. They are always asking how long it will be until they can get to the next level."

**Li Wang**  
Deputy General Manager of HR  
Air China Cargo



The aviation sector needs to ensure that attractive training and development programmes, which enable career progression, are prioritised if the sector is to remain competitive in the race to attract the best talent.

Not only will improved training and development help attract and retain staff, it will also help reduce the challenge - and expense - of finding new employees with the right skill sets (and at the right salary) by promoting internal talent.

This is highlighted by the HR and training professionals we surveyed who see building staff capabilities in new and emerging skill sets as a far greater challenge than the loss of existing skills amongst workforces:

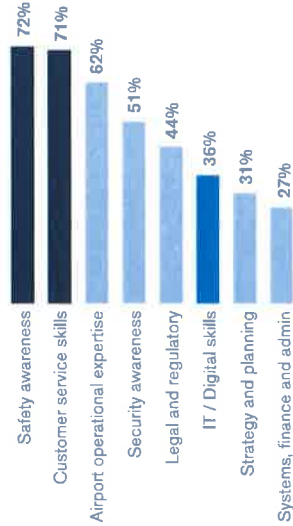
**Percentage of respondents that consider each of the following a 'greater challenge'**



So what skills should training be focusing on? We could assume that the starting place is technology and digital skills.

To an extent, this would be a good assumption. The world is now digital and, as such, digital literacy – if not proficiency – is a basic requirement for almost any job role. For instance, the *New Work Order*, a 2017 report from the Foundation for Young Australians, forecasts that 90% of Australia's workforce will need to have digital skills by 2022.

However, perhaps because digital literacy skills are now considered a basic requirement for any job, HR professionals in the aviation industry do not identify IT and digital skills as their number one priority area for training. Instead, two very different areas emerge at the top of the list: **Safety Awareness** and **Customer Services**.



## Safety awareness

Safety is the number one priority in the aviation industry. Safety awareness is therefore essential, and must underpin everything staff do in the industry; not just training new employees to be safe themselves, but to also to challenge a lack of safety in others.

"There's so many dangers in the airport, right down to the airplane itself. From the airplane engine to airplane movements and the risk of someone being run over. If a person is not safety conscious and they don't always apply the best principles, the chances of injury or even death are very real. So, we're looking for people who are safety conscious themselves but who are also willing to make the tough decisions. You may be operating safely, but when someone else around you is not, you need to be able to recognise this and have the strength and willpower to say something. I really appreciate those people. They are the people who are most difficult to find and retain, but they are also the people that I want to invest in."

**Krish Chand**  
Training and Development Manager  
Swissport



## Customer service

Customer service is rapidly evolving. Staff who previously may never have interacted with a customer before are being asked to do so, whilst existing customer service professionals are being taken out of their comfort zones. As such, skill development and training needs become heightened.

"Customer service is the single biggest area where we'll need new skills sets in the coming years. There is an expectation level from customers and we have to meet that. But when you look at new entrants to the workforce, many don't have the necessary courtesies or customer service skills. So, we have to rebuild them. We have to help them become more focused on the needs of our customers. It's about training people in the right way using the right technologies, and re-building people to be more service-orientated."

**Brendan Noonan**  
Vice President - Talent Development  
Qatar Airways Group

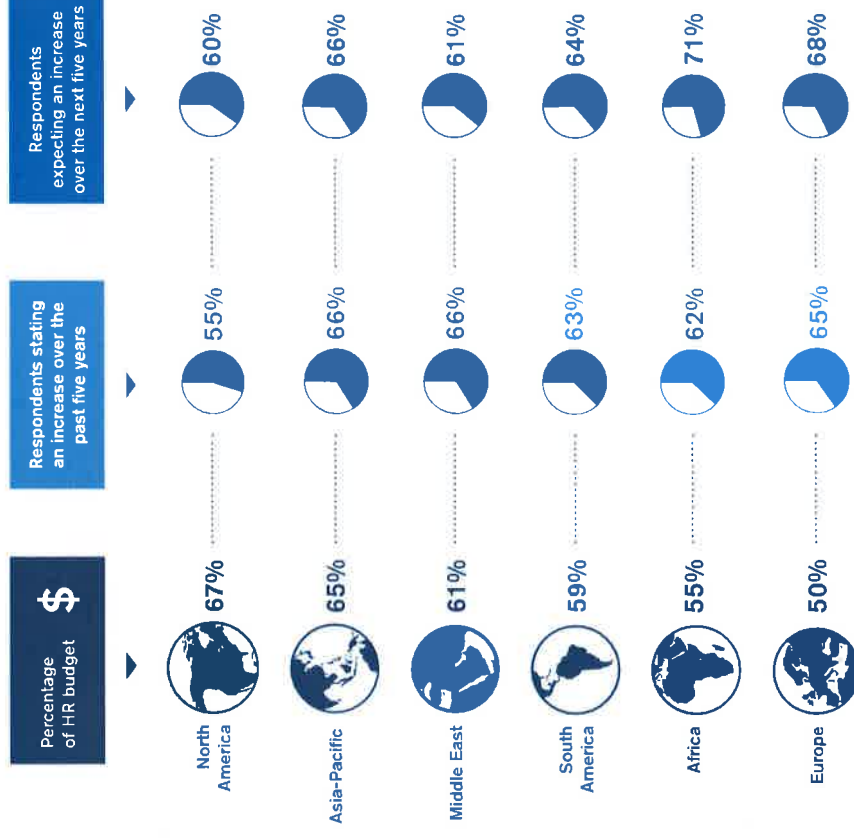


Compounded by heightened customer expectations, the challenge becomes even more pronounced. Whilst the forecasted uplift in staff numbers across the aviation industry is primarily attributed to the growth in passenger numbers, in customer service roles, 'increasing customer expectations' is cited as an even greater driver. With more passengers, and more demanding passengers, learning customer service skills becomes ever more important for keeping flyers happy.

# Part 5: Improving training and development

Training and development of staff must be a key focus for the aviation industry. The good news is that – to an extent at least – this appears to have already been recognised and is being addressed. Our survey respondents reported that training budgets are larger than they were five years ago, and now account for almost a quarter of overall HR spend. This trend is also expected to continue over the next five years.

## Regional view: HR budgets and growth expectations



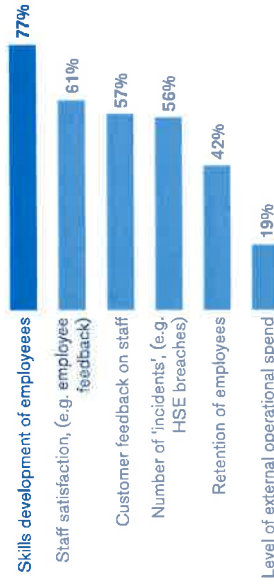
This willingness to commit budget to the training and development of existing staff is promising. However, there is an issue. Whilst money is being assigned, the quality of training and development programmes are not currently seen to be up to par: 56% of HR professionals say that their training is only 'quite effective', and a further 16% think it is not very effective at all.

**28%** of respondents say current training and development plans are 'very effective'

To tackle the problem, we first need to understand why training is currently only 'quite effective'. Thinking about what training should achieve, over three quarters of HR professionals in the industry report that they look for evidence of tangible skills development.

**77%** of respondents say that 'skills development of employees' are how they measure their training effectiveness

Percentage of respondents selecting each training effectiveness metric:



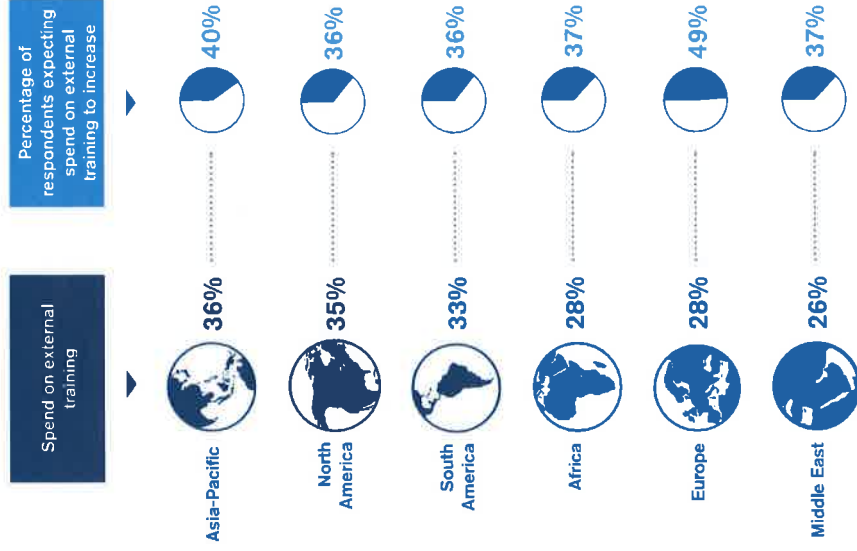
As the majority of training is currently only 'quite effective', this suggests that staff are often not developing skills as quickly or adeptly as HR professionals may wish.

Leveraging training specialist expertise could help. Currently, 29% of training budgets are spent with external providers.

"We need to eliminate human error in training. To do that you need to have very good infrastructure, like training management systems, learning management systems and online assessments. And the three of these should of course be integrated. We also gather pre- and post-assessment information on our trainees and apply a formula to calculate how effective the training was. This helps us to see the contribution and the quality of every training course, and every part of the training course. You can then revise the content of the parts of courses that need most improvement accordingly."

**Prof. Kemal Yükek,**  
Senior Vice President, Training  
Turkish Airlines

**Regional view: external spend on training**



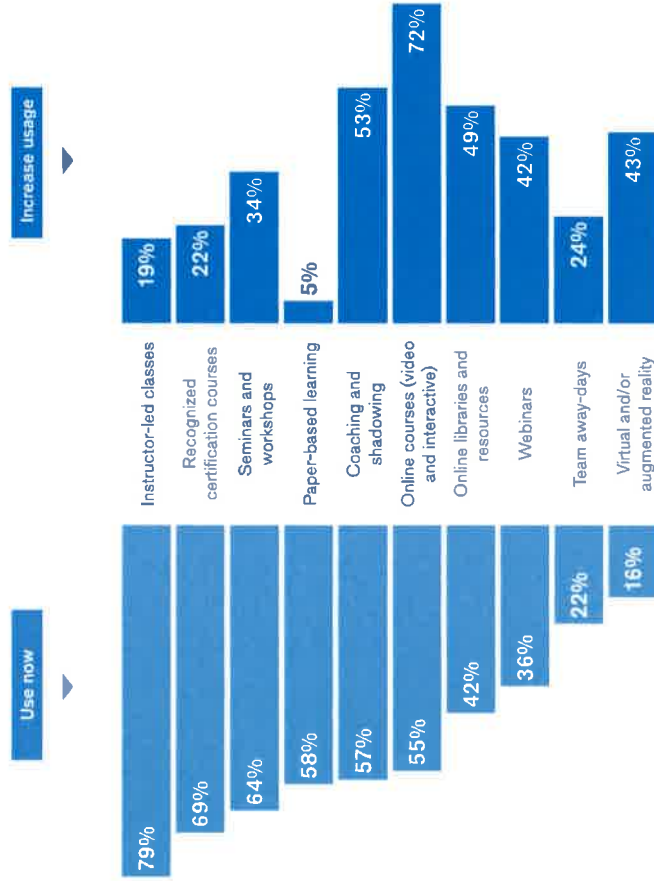
However, respondents to the survey indicate that they expect this proportion to increase going forward as specialist training assistance is sought. Across every region, over one-third of the survey respondents expect their businesses to spend more on external training over the next few years.

"There's definitely been a benefit when we've used external suppliers for training, particularly in areas like leadership and mentoring. Bringing people in from the outside provides a new pair of eyes and a different perspective, which helps start to think differently. Essentially, using external training partners can help you to avoid groupthink. Doing everything internally means it can be hard to pinpoint where problems are and you struggle to find innovative solutions."

**Dr. Mbithe Anzaya**  
Head of Learning Development  
Kenya Airways

## Current training formats

Training is only effective if it is delivered through an appropriate medium. Currently, more traditional methods of training – such as instructor-led classes, certification courses and seminars/workshops – are most popular. However, this is set to change. Technology is being used more all the time to provide online courses and libraries, whilst coaching and shadowing will also provide more intimate training environments.



HR professionals hope that this will spark an increase in the effectiveness of training, in turn reducing the recruitment burden and making a career in the industry more attractive to both candidates and existing staff.

## Conclusion

Passenger numbers are set to grow rapidly and staffing levels must keep pace. This will not be easy. In tough economic times, the aviation industry must compete for talent in a highly competitive market, overshadowed by the tech giants.

Against this backdrop, training and development will play a vital role. From ensuring that a career in aviation is appealing to millennial workforces, to upskilling and retaining existing talent, training and development is arguably more important now than it has ever been.

And whilst IT and digital skills continue to be crucial, it is safety and customer service skills that top the agenda for HR professionals in the industry. Customer service takes on particular significance as automation and digitisation, far from eliminating the customer service role, change the job description and skills required, redefining its scope.

To achieve, training and development success, the best programmes are dynamic and forward-thinking. They use new and innovative training techniques – from virtual reality to artificial intelligence – to complement and support more traditional learning formats. And they leverage their own internal resources, combining them with external training experts to give their learners the best possible chance to succeed. This not only creates job satisfaction for staff, it better prepares the industry for its unprecedented growth.

We would like to offer our sincere thanks to everyone who took part in the research and hope this report helps you in planning your organisation's approach to talent, learning and development in the coming years.



## Methodology

This report is based on a survey of over 100 leading industry HR professionals at airlines, airports and ground service providers. These professionals are responsible for the training and development of staff around the world, representing all geographic regions and a range of organizational sizes. The survey was conducted during January and February 2016.

The respondents we spoke to:

- Were all responsible for training and development at their organisations;
- Often had responsibility across multiple regions or globally;
- Overall, we spoke to more than 25 individuals per region;
- Certain individuals were responsible for multiple regions or had global responsibility;
- Regions were identified as follows: Europe, Asia-Pacific, Africa, North America, Middle East and South America & Caribbean.

The research was conducted for IATA by independent B2B research agency **Circle Research**, in accordance with ISO 20252:2012 standards (Certificate Number 0504).

## About IATA

The International Air Transport Association (IATA) is the trade association for the world's airlines. IATA represents some 290 airlines, or 82% of total air traffic.

**IATA's mission is to represent, lead and serve the airline industry.**

For more information please visit:

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