

## **Sustainability of the aviation industry: The Key to Success in the Aviation Industry**

(Presented by A4A)

Airlines for America (A4A)<sup>1</sup> is the trade association that represents the United States (U.S.) leading passenger and cargo airlines. It advocates on behalf of its members to shape crucial policies and measures that promote safety, security, and a robust U.S. airline industry. Our collaborative work with our member carriers, labor partners, members of congress, the Administration and other groups aids in improving aviation for the traveling and shipping public. A recent report by Oxford Analytics states that 2.3 million jobs have been lost across airlines, airports and civil aviation groups since the outbreak of the covid-19 pandemic, a 21 percent reduction from pre-pandemic levels.<sup>2</sup> The industry has faced a tumultuous period of decline and resurgence. As the demand for domestic and international air travel resumes, airlines are striving to increase employment across all sectors in the industry.

As of December 2022, U.S. passenger airlines employed approximately 473,000 full-time equivalents (FTEs) – the most since July 2002. In 2021 they added 46,000 jobs and an additional 50,000 jobs in 2022, adding a total of 96,000 FTEs within two years. Globally, U.S. passenger and all-cargo airlines employed approximately 784,000 workers, up 53,000 from December 2021.<sup>3</sup> The industry is also making efforts to surpass pre-pandemic pilot and flight attendant employment numbers. In 2022, U.S. passenger airlines employed 5% more pilots and 1% more flight attendants than they did in 2019, while U.S. cargo airlines employed 21% more pilots than they did in 2019.

Despite these recent increases in staffing, diversity within the aviation workforce remains a significant concern. Reports indicate that 92% of U.S. airline pilots are male, and 93% are white. Some of A4A member airlines have launched pilot training programs to attract a diverse group of pilots and increase pilot numbers. But many airline training programs are silent on diversity and therefore no meaningful analysis can be conducted as to how airlines are working to bring women and individuals of all races into the workforce.

This paper addresses and provides proposed solutions for diversifying and increasing the aviation workforce.

### **Talent Recruitment**

**How can the aviation industry attract new employees? What advice can you provide to your constituent firms and organizations for successfully attracting talent, given stiff competition from many other industries?**

To attract new employees, recruitment efforts must be expansive and diverse in nature. Presently, some organizations within the aviation industry use linear and outdated methods that limit the pool of qualified, diverse talent. Introducing alternatives forms of recruitment, expanding applicant pool

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<sup>1</sup> A4A's members are Alaska Airlines, Inc.; American Airlines Group, Inc.; Atlas Air, Inc.; Delta Air Lines, Inc.; FedEx Corp.; Hawaiian Airlines; JetBlue Airways Corp.; Southwest Airlines Co.; United Airlines Holdings, Inc.; and United Parcel Service Co. Air Canada is an associate member.

<sup>2</sup> <https://www.ft.com/content/93736968-8fcf-425f-b8e5-fcd9736d37f6>

<sup>3</sup> A4A Economist insights. John Heimlich, 2023

to appeal to include those in underrepresented communities, and investing in advanced platform technologies are imperative.

At A4A, our member carriers have expanded their methods of recruiting by partnering with aviation focused collegiate institutions and Historically Black Colleges and Universities (HBCUs) to broaden their access to those in traditionally underrepresented communities. The purpose of these partnerships is to introduce careers to a population who may be unfamiliar with vast array of career opportunities offered by the aviation industry. While career opportunities continue to focus on training in the fields aviation maintenance, engineering, and crew operations; the push for expanded and diverse pilot operations training and recruitment has blossomed extensively within recent years.

In 2022, United Airlines launched Aviate Academy – a flight training academy dedicated to employing the next generation of highly qualified and diverse professional pilots. United Airlines views the program as a key resource in hiring 10,000 pilots by the end of the decade. This year, the Aviate Academy graduated its first class of 51 trainees with nearly 80% being women or people of color. Similarly, Delta Air Lines is preparing to launch its fourth installation of its Propel program this summer, which is centered around the training and hiring of pilots. To expand its recruitment strategies, Delta Air Lines currently coordinates on-campus recruiting events at HBCUs for students to meet with Delta’s talent acquisition team through the airline’s “Delta Days” program. They also offer co-ops, Internships and MBA opportunities for college students and recent graduates. Southwest Airlines Destination 225 University Pathway is for individuals interested in pursuing their university degree while building post-graduate flight instructing time within their college’s flight program. The accomplished group of Southwest’s university partners include Angelo State University, Arizona State University, University of Nebraska at Omaha, The University of Oklahoma, Southeastern Oklahoma State University, Texas Southern University and recent 2023 addition, Auburn University’s School of Aviation.

Our members recognize limited funding and access to financial resources are the leading deterrent in attracting new employees to the field of aviation; the airline industry is looking to amend that. Major air carriers are consorting with financial banking institutions and agencies to form alliances that offer scholarships and private funding to enrollees for tuition and other support. Specifically, Delta Air Lines has committed over \$1.5 million to 37 HBCUs through multiple United Negro College Fund (UNCF) grant programs. Additionally, both United Airlines and American Airlines are hoping to harness additional financial resources such as federal funding to alleviate the financial burden of training costs. The airlines hope that the alleviation of this burden will garner a new and vested interest in careers in pilot operations.

Carriers are also focusing on improving technological capabilities. To compete with other industries, airlines must contend with the long-standing history of tech-based companies advancing technology forward. Platform technologies tend to appeal to mass audiences, and they allow for cohesion throughout the entirety of a project’s production. The ability to have centralized, digital software from conception to completion is key in ensuring that collaborative partnerships are concise and cohesive. For example, the movement toward New Distribution Capability (NDC) is a data exchange format that streamlines distribution channels, but without adoption by other entities like global distribution systems (GDSs), then progress is stymied. If airlines were able to implement more effectively current and developing technologies like Artificial Intelligence (AI),

then they could employ a higher number of individuals to fill these novel positions. Ultimately, the use of platform technologies affects competitive hiring practices and is consistent with forward-facing company vision.

### **Talent Retention**

**How can the aviation industry retain its current employees? What advice can you provide to firms and organizations to ensure that personnel have the necessary skills to advance the industry in the 21st century?**

Workplace culture has transformed since the onset of the COVID-19 pandemic. The values and overall attitude of company culture has shifted to one centered on work-life balance, hybrid and/or remote options, and attractive benefits beyond that of pay scale. In 2021, air transportation employees earned wages 37 percent higher than the average private sector<sup>4</sup>. Previously allotted annual cost of living pay increases, holiday bonuses and modes retirement fund matching are no longer adequate in retaining employees<sup>5</sup>. It is crucial, in retaining employees, to prioritize and advertise a harmonious and healthy work environment by allowing for slightly untraditional methods of working culture. To achieve this, our advice to other firms and organization is to hone in on differing generational values and overall lifestyles of the employee in determining what employer-implemented changes are necessary. For corporate aviation employees, a flexible work environment may be of the best ways to achieve the balance many employees seek. Offering flexibility in employee start and end times, unlimited personal time off, and hybrid work schedules, could attract an influx in employment applications – particularly from younger generations who have spoken favorable of creating balance. For all employees, retention-based pay increases and semi-annual pay raises could entice prolonged retention. For those on the aircraft, the hiring of additional qualified employees could allow for regularly scheduled vacation and holiday time off. These measures add greatly to the quality of life of the employee outside of their standard workday.

In addition, a diverse and inclusive workforce can dramatically improve business performance and production, leading to prolonged retention of employees. A 2013 study by Deloitte Australia highlighted that “when employees think their organization is highly committed to, and supportive of diversity, and they feel highly included, then they are 80% more likely to agree that they work in a high performing organization.” Additional studies highlight that equitable treatment and diversity in managerial positions give employees a sense of belonging and future career aspirations.

Lastly, a multifaceted approach to building global cultures that emphasizes mentorship programs, tuition reimbursement programs and career advancement pathways can aid in ensuring employees have the necessary skills to progress within the ever-changing dynamics of the aviation industry. The addition of internship programs, collegiate programs to garner interest within the field of aviation prior to graduation, and even middle and high school career mentorship programs can aid

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<sup>4</sup> Bureau of Economic Analysis

<sup>5</sup> <https://nbaa.org/professional-development/workforce-initiatives/strategies-retaining-skilled-business-aviation-professionals/>

in future generational interest in the field of aviation. These “beyond the pay” mitigating efforts are pivotal for other firms and organizations to ensure that personnel have access to adequate training and are prepared with the necessary skills to progress within their respective organizations.

### **Industry Collaboration**

#### **How can industry associations work together with aviation firms and other stakeholders to ensure that the industry attracts and retains talent from a diverse employment pool?**

Industry associations like A4A and other stakeholders can leverage the renewed focus on expanding aviation career opportunities to historically underrepresented communities through the repurposing of Federal Aviation Administration (FAA) grant monies from an above-wing focus to a more diverse, fiscal initiative. If the United States Federal Government (USFG) increases grant money from \$10 million to \$50 million annually, then aviation stakeholders can enhance training and hiring directives to widen the pool of non-traditional candidates.

The time is ripe. As of today, Congress is reviewing the proposed *Aviation Minority Workforce Development Act* (Bill), which would direct the U.S. Secretary of Transportation to create a federal grant program to increase racial and gender minority access and representation in the aviation workforce. As previously explained, the bill is parallel to our suggestion to increase awareness of aviation-related job opportunities at minority serving institutions. However, for the Bill to maximize its intended causal effect of greater racial and gender access to aviation sector careers, it needs funding. Currently, the FAA Reauthorization Act of 2018 focuses on increasing the number of pilots, aerospace engineers, or unmanned aircraft systems operator. Typically, these positions are male dominated and attract non-diverse candidates. Industry organizations need to inform and persuade other congressional members that the myopic focus of the Act, although immediately beneficial, does not address the long-term needs of the aviation sector, including closing the diversity gap in its managerial and administrative branches.

### **Conclusion**

In sum, a focus on workforce development and readiness through the expansion of the candidate diversity in association with emergent technologies is needed to redress staffing shortages. The industry cannot act alone. It requires the leveraging of governmental aid to benefit the public at-large who have experienced staffing shortages at airports and on aircraft.

To affect change, there needs to be cross-functional leadership, where members of Congress and aviation industry leaders combine their expertise within their respective organizations to meet the future needs of air transportation and its workforce. In the U.S., advocating for increased funding and new initiatives promoting diversity and inclusion on Capitol Hill will transform these goals into tangible objectives.

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