



2023 AIRLINE LABOR & EMPLOYMENT LAW SYMPOSIUM



Building on the Past, Charting the Future: Assessing the Success of Hiring and Retention Strategies in the Airline Industry

Jerry Glass, President, FH Solutions Group

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SEPTEMBER 21 AND SEPTEMBER 22, 2023 | ST. ANTHONY HOTEL | SAN ANTONIO, TX

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The Great Resignation Appears To Be A Thing of the Past, But Problems Still Remain

- Between April and September of 2021, more than **24 million** Americans left their jobs during the “Great Resignation.”
- In November 2021, more than **4.5** people quit their jobs in the U.S.
 - That turned out to be the peak month for employees leaving their jobs.
- A 2023 survey of 54,000 workers across 46 countries found that **twenty-five percent (25%)** of workers expect to change jobs in the next 12 months. It’s clear that employee discontent is still prevalent across the globe.
- According to the DOL’s Job Openings and Labor Turnover data from March 2023, the number of quits **decreased** to about **3.9 million** in the U.S., the lowest level since May 2021.

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The Great Resignation Appears To Be A Thing of the Past, But Problems Still Remain

- While the BLS predicted that **41%** of employees worldwide planned to leave their jobs in 2022, that prediction did not hold true.
- **Generation Z** (born 1997-2012) and **Generation Alpha** (born 2010-2025) make up the largest share of people switching their jobs.
- The airline industry has largely recovered from the depths of “The Great Resignation” but, at what cost?



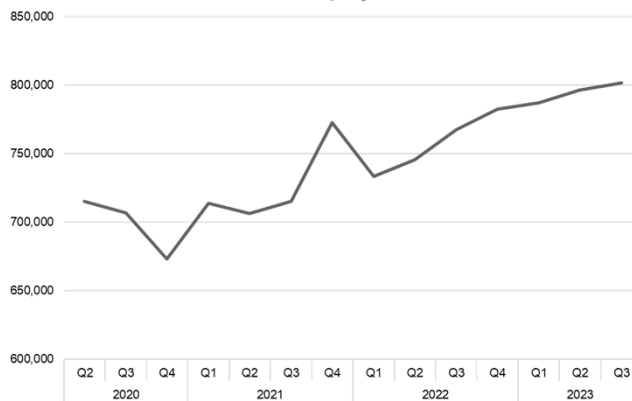
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U.S. Airline Employment Statistics (2020 – 2023)

- Beginning of pandemic:
715,017 FTE Employees
- As of July 1, 2023:
801,801 FTE Employees
- Overall employment increase since the pandemic:
12.4%

U.S. Cargo & Passenger Airlines FTE Employees



Source: Bureau of Transportation Statistics

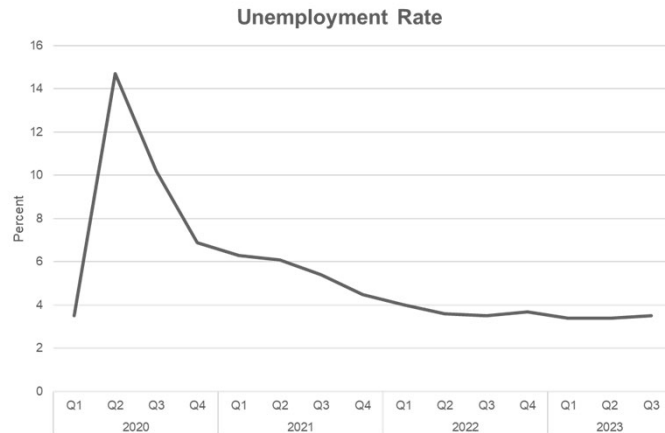


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U.S. Unemployment Statistics (2020 – 2023)

- Unemployment was at a high of **14.7%** in April of 2020 (start of the pandemic)
- Since April of 2022, unemployment has continued to drop; in August 2023, the unemployment rate was **3.8%**
- There are still **6 million** people unemployed



Source: Bureau of Labor Statistics

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Reflecting on the Great Resignation in 2023

- **Transform or Die:** Employees are pessimistic. One-third of employees say their company won't be economically viable in ten years.
- **Employees are restless:** 25% of employees likely to change jobs in the next 12 months (down from 37% in 2022). The number is higher for younger employees, with 35% of Gen Z and 31% of millennials planning to change jobs.
- **Financial hardship increases:** 14% of employees struggle to pay bills every month, and another 42% say they have little or nothing left over (up from 37% in 2022). 1 in 5 employees say they have an extra job, in addition to their primary one.

Source: PWC's 2023 Hopes and Fears Global Workforce Survey

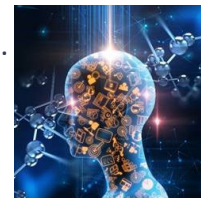
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Reflecting on the Great Resignation in 2023

- **Skills inequity on the rise:** 53% of employees say that their job requires specialized training, up from 49% last year. Workers without specialized training are also more likely to be facing financial difficulties.
- **Workers aren't afraid of AI:** Despite the prospect of AI-fueled job losses, employees cite the positive impact of AI more frequently than the negative ones. Most employees believe that AI will increase their productivity/efficiency at work.



Source: PWC's 2023 Hopes and Fears Global Workforce Survey

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Why People Are Restless and Unhappy

According to *Gloat Research*:

- **54%** of workers feel current employers don't take their aspirations into account enough.
- **62%** of employees believe it is very important for their work to align with their values, passions and interests.
- **43%** of workers say they're simply burned out.
- **74%** of highly skilled workers feel there are better or more opportunities elsewhere.



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The Mixing Bowl: Dealing With Different Generations of Employees

- Addressing the priorities of different generations is proving to be one of the greatest challenges for employees. Boomers and Generation X don't understand Millennials and Generation Z
 - The Greatest Generation (born 1901–1927)
 - The Silent Generation (born 1928–1945)
 - Baby Boomers (born 1946–1964)
 - Generation X (born 1965–1980)
 - Millennials (born 1981–1996)
 - Generation Z (born 1997–2012)
 - Generation Alpha (born 2010–2025)



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The Mixing Bowl: Dealing With Different Generations of Employees

Talking a different language

Formative experiences	Maturists (pre-1945)	Baby boomers (1945-1960)	Generation X (1961-1980)	Generation Y (1981-1995)	Generation Z (Born after 1995)
	Wartime rationing Rock'n'roll Nuclear families Defined gender roles - particularly for women	Cold War 'Swinging Sixties' Moon landings Youth culture Woodstock Family-orientated	Fall of Berlin Wall Reagan/Gorbachev Thatcherism Live Aid Early mobile technology Divorce rate rises	9/11 terrorists attacks Social media Invasion of Iraq Reality TV Google Earth	Economic downturn Global warming Mobile devices Cloud computing Wiki-leaks
Attitude toward career	Jobs for life	Organisational - careers are defined by employees	"Portfolio" careers - loyal to profession, not to employer	Digital entrepreneurs - work "with" organisations	Multitaskers - will move seamlessly between organisations and "pop-up" businesses
Signature product	Automobile	Television	Personal computer	Tablet/smartphone	Google glass, 3-D printing
Communication media	Formal letter	Telephone	E-mail and text message	Text or social media	Hand-held communication devices
Preference when making financial decisions	Face-to-face meetings	Face-to-face ideally but increasingly will go online	Online - would prefer face-to-face if time permitting	Face-to-face	Solutions will be digitally crowd-sourced



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What Is Different Now

- The current generations have grown up with the Internet/social media, which results in employees having access to more opinions (which can be confusing) and appears to give them a greater voice in the workplace than any other generation.
 - Never before have frontline employees felt so empowered.
 - People have unprecedented access to job opportunities thanks to the Internet.
- The introduction of AI.
- Employees do not care about how quitting looks on their resume.
- People do want more money, but WFH and time off has become the #1 priority for most new workers.
- Parental leave and childcare have become major societal issues for both men and women of this generation, which results in greater demands being made in the workforce for change.



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How These Observations Translate To The Airline Industry

- Flight crews (pilots and flight attendants) work in a different environment with little supervision.
- It isn't just about the money – airlines keep offering sign on and retention bonuses and while it appears to be attracting employees, getting people to come to work is a major problem.
- Unemployment claims remain at their lowest levels in 50 years.
 - Could it be there are just too many jobs and not enough employees? (3.8% unemployment rate, but 6.3 million people are unemployed)
 - United needs to hire 15,000 employees in 2023
- For regional pilots, it's all about getting to a major airline ASAP and there is not a lot that can be done about it.
- For flight attendants, the job has become increasingly stressful – which is why unions are placing an emphasis on health and wellness programs.



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How These Observations Translate To The Airline Industry

- For ground employees, there are options with better work environments – warehouse jobs are paying higher wages and working inside is more appealing.
 - Amazon starting hourly pay ranges between \$18.00 to \$22.50
 - Target starting hourly pay ranges between \$15.00 to \$24.00
 - Walmart starting hourly pay has risen to \$24.00 in certain markets in the U.S.
- For mechanics and other skilled labor, the industry desperately needs apprenticeship and other job training programs, but unions and companies have been slow to embrace them.
- We are busy throwing money at potential workers, but have not figured out how to retain workers from a new generation of workers.



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Improving Company Recruiting Tactics

- **Offer a flexible work schedule** – the number one thing candidates want is a flexible option.
- **Attract Gen Z** – this generation will be 30% of the workforce soon, so start understanding their values and what's important to them.
- **Tell a compelling brand story** – an effective employer brand can help employees see themselves at the company and help them understand how they can make an impact.
- **Reconsider compensation and benefits** – what else can make you stand out if you cannot compete with compensation? (examples: tuition assistance, mentorship or leadership programs)
- **Support your hiring managers** – keep lines of communication open, create a resource library with salary guides, lists of industry-specific networking spaces and job boards, updated job descriptions and interview questions, etc.



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Improving Company Recruiting Tactics

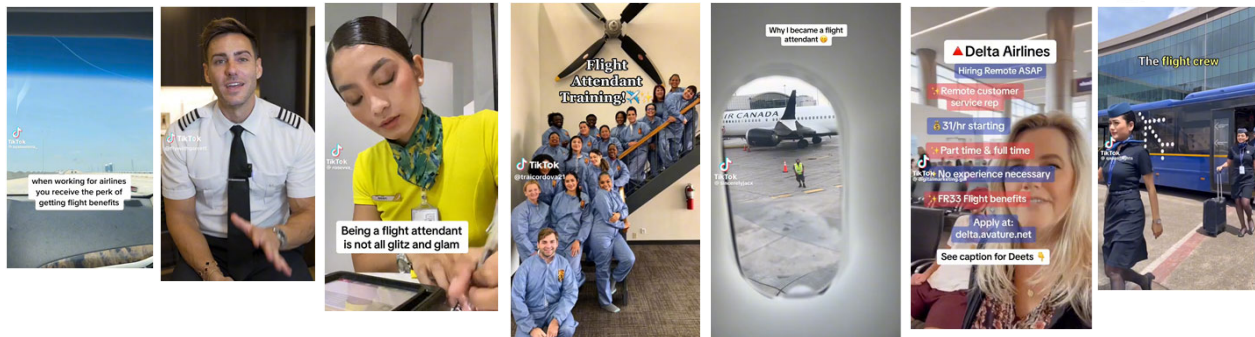
- **Re-evaluate education and experience criteria** – reconsider minimum qualifications to do the job. Is a 4-year degree really necessary or can they be taught the job with the skills they already possess?
- **Seek partners to advance diversity** – partner with schools, nonprofits, and professional associations to support the hiring of underrepresented populations.
- **Adopt new methods and tools** – where are your candidates and how do you reach them? Should you place ads on Instagram and Tik Tok?
- **Maximize referrals** – Encourage your employees to recruit new candidates.
- **Build alumni and hire people who have left** – many employees leave a company for more money but then realize they want back. Let them!



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Tik Tok



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How Employers Need To Adapt

...SURPRISE...it's not all about the **MONEY!**

- Build a brand that is compelling to employees both internally and externally.
 - 72% of employees thought their company was failing to deliver on connection, progress, and commitment to employee development (news reports)
- Re-imagine work culture – team based experiences even when the workgroup doesn't work in team settings.
 - Emphasize perks like free travel, flexible work schedules (for flight attendants), top notch benefits
- How can “fun” be built into the workplace – must invest in team building.
- A strong company culture is more important than ever before.
- It's true! Happier employees are good for business.
- Social interaction and teamwork create a healthy work environment.
- Keep employees healthy – need strong health and wellness programs.

**This is not your
parent's
workforce!**



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Employers Can Make Work More Enjoyable And Improve The Company Work Culture –What Gen Z Wants

- People feel accountable when they are part of a team experience.
- Listen to employees and be available – need more interaction with others – managers are more important than ever.
 - Lines of communication can be opened even in a unionized environment
- Live your company values.
- Lead by example – “Manage by walking around.”
- Make employees mental health a top priority.
- Make jobs as flexible as possible and don't micromanage.
- Understand how employees' needs have changed.
- Reward employees who have chosen to stay.



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The #1 Question Asked By Applicants – Can I Work Remotely?

Key Remote Working Statistics

- As of 2023, **12.7%** of full-time employees work from home, while **28.2%** work a hybrid model. Despite a steady rise in remote work, the majority of the workforce (**59.1%**) still work in-office.
- By 2025, **32.6** million Americans will be working remotely, which equates to about **22%** of the workforce. This projection suggests a continuous, yet gradual, shift towards remote work arrangements.
 - **98%** of workers want to work remotely as least some of the time.
 - **93%** of employers plan to continue conducting job interviews remotely.
 - **16%** of companies operate fully remote.

Source: Forbes

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Are Remote Workers More Productive?

- A report by Upwork found that **32.2%** of hiring managers responded that productivity increased since employees started to work from home in 2020, while **22.5%** of managers responded that productivity decreased.
- A study by Stanford University found that performance was boosted by **22%** when employees were able to work from home.
- Mercer, an HR and workplace benefits consulting firm, surveyed 800 employees and found that **94%** of employers reported that work productivity is the same or higher since employees started working from home.



Sources: Mercer, Upwork, and Stanford University

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Questions?



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