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## Up In the Air: How Airlines Can Improve Performance by Engaging Their Employees

*Greg J. Bamber, Jody Hoffer Gittell, Thomas A. Kochan, Andrew von Nordenflycht*  
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**Greg J. Bamber, Jody Hoffer Gittell, Thomas A. Kochan, Andrew von Nordenflycht : Up In the Air: How Airlines Can Improve Performance by Engaging Their Employees** before purchasing it in order to gage whether or not it would be worth my time, and all praised Up In the Air: How Airlines Can Improve Performance by Engaging Their Employees:

2 of 2 people found the following review helpful. If There's Any Skills Gap, it Lies Firmly in Management's CornerBy SD ClevelandOne of my favorite books of all time, but strangely no 5 start.This book clearly illustrates how it's not

only possible, but preferential for airline management to handle their employees with RESPECT and COMMITMENT. The authors repeatedly point to hard data on how companies like SouthWest and jetBlue are capable of consistently showing profits in a highly competitive global industry through treating their employees well. Up in the Air graphically illustrates that it's only companies that lack talent in their management teams where poor and even combative employer/employee relationships have set in. It takes a lot less talent to hurl a club than it does to practice diplomacy. In the distant wake of the calamity that was Deregulation two business models have become prevalent, not only in the USA, but also abroad. Both business models have proven highly successful at generating profit, however one of them leaves a path of not only angry customers but demoralized and often embittered employees. RyanAir is the practitioner of Control-Avoid employee relations. This strategy seeks to control employees and avoid unions. The end-game of this strategy is to burn-out employees and simply replace them with more when they quit or get fired. RyanAir's talentless tactics have even prompted an Irish Labor Relations judge to rule that airline management "presents only a facade of concern." and is "unburdened by integrity" when handling its employees. This allows for ultra low wages and a price savings passed on to customers. There are other airlines in the USA which practice this "Control-Avoid" default model of talentless employee/employer relations. The polar opposite of this strategy is the Commitment-Partner platform, practiced by SouthWest and to a degree other companies, globally. In this strategy management sees their employees as even more important than the customers, since, management doesn't come into contact with customers. Happy employees guarantees happy customers. Superior customer service is not a facade of concern, it's genuine. Through superior customer service, SouthWest has created a culture of customer loyalty that has seen them through the roughest of economic period, never laying off a single employee and always posting a profit. All that with the most handsomely compensated employees - per seat mile - in the industry. SouthWest is the most unionized airline in the USA. That said, the company invited the unions in and uses the union leadership as just another member on a successful team of superior management skill and talent. It's clear from reading this book that there are a few ways to make money in the airlines. Often the destiny of how a company interacts with its employees is not a conscious decision made by management. Hostile employee/employer relations is a default to when you just don't have the skill on your board of directors to make profits the right way. Just like with war, it's a sign that the skill and diplomacy to avoid it is not in managements quiver of arrows. The only reason this book did not earn a 5 star rating was simply because it didn't address the regional airlines. Not in the US or abroad. With nearly one out of two departures in America being a regional carrier, ignoring this section of the industry is just giving a partial report on the aviation world. 1 of 1 people found the following review helpful. A contribution epitomizing the essence of good labor relations scholarship. By Anthony M. Gould. This book examines an important but perhaps overlooked aspect of modern global airline industry operations summed up on page three in the form of a question: do low fares inevitably mean low quality jobs? In examining this issue, the authors focus the bulk of their attention on the United States but also devote chapters to other countries and strategic and sector-specific issues including cost, productivity, service quality, industry structure, barriers to entry and exit, and threats and opportunities. The book's conclusion makes recommendations that go beyond being strategic management advice but rather have implications for multiple industry stakeholders. These suggestions flow easily from the preceding comparative and historical analyses. In the book's first chapter, the authors succinctly describe two theoretical frameworks that are used to guide subsequent analysis. First, they propose an historical distinction as being between "before" versus "after" sector deregulation. In this context, the term deregulation refers to public policy which allows for unrestrained commercial competition, a dismantling of monopolistic industry structures, reduced government ownership and increased emphasis on market-determined outcomes. In the early 1970s, the United States was the first nation to embrace airline industry deregulation. Beginning in the 1980s with the United Kingdom, countries from other continents have followed the American lead, although with some differences that are well explained on page 29. Individual airlines may be thought of as having different characteristics and competitive strategies based on whether they are legacies, existing before, or new entrants, emerging after deregulation. Second, in the following section of Chapter One, the authors present a framework for understanding management orientation vis-a-vis labor relations which establishes employer interaction with unions and employees as primary dimensions for understanding firm difference. Airline stakeholder outcomes may be viewed as caused by the two classes of consideration, namely historical positioning and employment relations orientation. I found the book's introduction especially well structured. I have recently recommended the chapter to students who are nearing completion of a thesis but unsure about how to lead in to a complex issue in an interesting way as a prelude to addressing theoretical and conceptual issues (some scholars suggest that the introduction of a thesis should be written following completion of other chapters). In its middle chapters, the book provides sophisticated and farsighted commentary about the competitive strategies of airlines throughout the world and the changing regulatory and operational environments in which each country's industry has functioned. The work is replete with extensive historical and technical detail, good analysis, and insightful conclusions. Remarkably, the read remains interesting and accessible. Its narrative moves back and forth between discussion of strategic and competitive issues to consideration of employee morale and labor relations. The authors illustrate their points with statistics and findings from ethnographic and qualitative methods and anecdotes. They have an intuitive grasp of when to change

style and direction in presenting material without compromising the logic or structure of the narrative. I remained impressed with how effectively the book's theoretical frameworks were able to accommodate data and observations. Indeed, I became convinced that the legacy/new entrant distinction is indispensable for understanding the nature of competitive strategy within the airline industry and that the employment relations orientation of individual firms are well reconciled using the model presented on page 12. From a scholarly perspective this point is instructive. It reminded me that it is possible to use deceptively simple analytic tools to make sense of complexity and ambiguity. A good example of this appears on page 95 where relations between firms from different countries are placed on the employment relations grid. The discussion here focuses on Southwest Airlines which is viewed as being able to achieve success whilst pursuing a union/management partnership orientation and an employee commitment orientation. I like the book's clarity. Each chapter starts with a straightforward overview of where the reader is headed. The sentences are short, direct and devoid of adjectives or adverbs. Paragraphs are well ordered and integrated. In presenting airline-specific material, the authors convey a strong sense of national culture and priorities. Such context does not disrupt the flow of the narrative or shift attention from the principal object of analysis, airline industry strategy and its labor relations consequences. On the contrary, I think the authors strike entirely the right balance between consideration of necessary background and discussion of focal issues. This feature of the book, namely the way it manages critical and less relevant content, has widespread instructional value, particularly for doctoral students and early-career scholars. The book is hard to characterize, a point which I don't intend to be a criticism. I think the work would have broad appeal to those interested in strategic management, labor relations, globalization and/or economic history. The authors made me consider how the experience of airlines would be helpful for understanding other industries such as telecommunications, the electronic and print media and, the freight and shipping transport sectors. In this sense, the book convincingly builds generic arguments about the new economy and globalization. Part of its contribution is to offer insights into the modern functioning of capitalist market economies in circumstances where the object of analysis becomes almost inconsequential. I found the book enjoyable. Upon reflection, I think this is due to the quality and sophistication of its scholarship and not because I am especially fascinated by airline industry strategy and the sector's labor relations. If my hypothesis is correct, *Up in the Air* can fairly be regarded as an exceptional work.

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This Review is published in *Relations Industrielles / Industrial Relations* Volume 64(4) 2009.0 of 0 people found the following review helpful.

*Airline Pilots Like It!* By Ms. Penelope A. Sara  
Extract from *The Log*, British Air Line Pilot's Association, April/May, 2009  
Our pick of the best aviation-inspired books this month *Up in the Air: How Airlines can Improve Performance by Engaging their Employees*. By Greg J Bamber, Thomas A Kochan, Jody Hoffer Gittel, Andrew von Nordenflycht, Cornell University Press, New York, ISBN 987-0-8014-4747-1 This refreshingly readable and persuasive book challenges the emerging orthodoxy that low-cost must mean low staff morale and low customer satisfaction. Drawing on examples from across the world, including 'legacy' airlines such as British Airways and new entrants such as Ryanair and easyJet, the authors analyse the competitive and employment-relations strategies that airlines have adopted. Outcomes for customers, employees, and other stakeholders are analysed. The authors categorise employment-relations strategies as either controlling employee behaviour, or aiming to foster commitment. In terms of relationships with Unions, airlines can seek to avoid or oppose Unions, accommodate them by accepting their legitimacy or partner with Unions seeking to establish a deeper relationship than contractually required. The authors suggest that Ryanair's employment strategy is to focus on low costs via anti-unionism and employee control. British Airways appears to accommodate Unions and practises more of a control approach. By contrast, Southwest adopts much more of a partnership and commitment approach. One paradox is that the rhetoric of some airlines has emphasised the importance of fostering employee commitment and offering good customer service, while simultaneously seeking to reduce employees' economic rewards or other benefits. Such airlines are not reaping the potential advantages of developing partner relationships with their workforce and Unions. This highlights, according to the book, that the trinity of sustained profitability for investors, good customer service and positive relations with employees can be achieved with positive industrial-relations strategies. The authors suggest that the genuine partnerships should feature: joint commitment to the success of the enterprise; efforts to build trust; employment security in exchange for flexibility; quality training programmes; information sharing and joint problem solving with managers and employees. To maintain a more sustainable airline industry, with more economic security, there is a need for bold and open-minded leadership. Regrettably the book could easily be overlooked in the face of gathering economic clouds. But, as Southwest founder Herb Kelleher observed, 'nothing kills your culture like layoffs', so how the economic downturn is navigated will be crucial to how companies emerge from the downturn.

Jim McAuslan General Secretary of the British Airline Pilots' Association (BALPA), London "BALPA produces a bi-monthly publication; our flagship journal, *The Log*, which deals with industry news, interviews, reviews and general interest articles. "The *Log* is free for BALPA members; non-members can subscribe at a cost of pound;26.50 UK and pound;36.50 overseas per annum (six copies). "Over 75% of Britain's pilots and flight engineers belong to BALPA. Our membership is currently more than 9,000 - and growing every week. "BALPA is among the world's largest flight crew associations - second in size only to the U S Air Line Pilots' Association. As a specialist organisation we protect

and improve the professional status, pay and conditions of our members. "As the voice of Britain's aviation professionals our views are taken seriously by companies, the Civil Aviation Authority, Government and Parliament. BALPA is also well respected by the European Commission and international civil aviation bodies."

When both an industry's workers and its customers report high and rising frustration with the way they are being treated, something is fundamentally wrong. In response to these conditions, many of the world's airlines have made ever-deeper cuts in services and their workforces. Is it too much to expect airlines, or any other enterprise, to provide a fair return to investors, high-quality reliable service to their customers, and good jobs for their employees? Measured against these three expectations, the airline industry is failing. In the first five years of the twenty-first century alone, U.S. airlines lost a total of \$30 billion while shedding 100,000 jobs, forcing the remaining workers to give up over \$15 billion in wages and benefits. Combined with plummeting employee morale, shortages of air traffic controllers, and increased congestion and flight delays, a total collapse of the industry may be coming. Is this state of affairs inevitable? Or is it possible to design a more sustainable, less volatile industry that better balances the objectives of customers, investors, employees, and the wider society? Does deregulation imply total abrogation of government's responsibility to oversee an industry showing the clear signs of deterioration and increasing risk of a pending crisis? Greg J. Bamber, Jody Hoffer Gittel, Thomas A. Kochan, and Andrew von Nordenflycht explore such questions in a well-informed and engaging way, using a mix of quantitative evidence and qualitative studies of airlines from North America, Asia, Australia, and Europe. *Up in the Air* provides clear and realistic strategies for achieving a better, more equitable balance among the interests of customers, employees, and shareholders. Specifically, the authors recommend that firms learn from the innovations of companies like Southwest and Continental Airlines in order to build a positive workplace culture that fosters coordination and commitment to high-quality service, labor relations policies that avoid long drawn-out conflicts in negotiating new agreements, and business strategies that can sustain investor, employee, and customer support through the ups and downs of business cycles.

"This refreshingly readable and persuasive book challenges the emerging orthodoxy that low-cost must mean low staff morale and low customer satisfaction. Drawing on examples from across the world, including 'legacy' airlines such as British Airways and new entrants such as Ryanair and easyJet, the authors analyse the competitive and employment-relations strategies that airlines have adopted. Outcomes for customers, employees, and other stakeholders are analysed. The authors categorise employment-relations strategies as either controlling employee behaviour, or aiming to foster commitment. . . . The authors suggest that the genuine partnerships should feature: joint commitment to the success of the enterprise; efforts to build trust; employment security in exchange for flexibility; quality training programmes; information sharing and joint problem solving with managers and employees."mdash;Jim McAuslan, *The Log* (British Air Line Pilot's Association), April/May, 2009" The book provides a detailed overview of the recent evolution and transformation of the U.S. civil aviation industry, especially the impact of low-cost competition and September 11, and it includes a penetrating analysis of the relative performance of different airlines. It pays adequate tribute to the importance of the old 'legacy' airlines in the industry, many of which have been national flag-carriers, though it pays particular attention to new entrants. Although the focus is on the US, the analysis is extended to other markets in Europe and Asia to produce a comprehensive account of competition, business strategies and human resource management in the world airline industry. . . . On the whole, the book is intellectually stimulating and a pleasure to read. It asks the right questions and combines thorough empirical research and informed analysis to answer them. The ideas, arguments and empirical analysis presented merit close attention and wide discussion. The authors even offer a road map to success for consumers, employees, and investors. While the book makes a significant contribution to the literature on human resource management and employment relations in the aviation industry, it is also useful as a starting point for future research."mdash;Stefan Zagelmeyer, *Personnel*, March 2009" *Up in the Air* tackles the complex external and internal environments of the world's airline industry. The authors are an impressive combination of Australian, European and U.S. employment relations scholars with significant research expertise in the airline industry. . . . This book is equally valuable in the classroom and the boardroom. The authors' use of a comparative industrial relations approach enriches one's understanding of the complex nature of employment relations. It would be lamentable not to recognize that this book's value extends far beyond airlines. The airline industry has a dynamic internal and external environment with employees spread around a nation or world; frontline employees make important decisions at any hour of the day or night. This book is instructive for successful employment relations strategy in a wide range of industriesmdash;particularly those with knowledge workers and/or dispersed frontline decision makers."mdash;E. Patrick McDermott, *Journal of Industrial Relations*" There is much to be appreciated about the contribution of *Up in the Air* that extends beyond the boundaries of the airline industry. The carefully explained lessons of the industry should be of interest to those in other industries where managers may believe that price competition necessitates 'bleak house' approaches to employment relations. . . . Overall what I most value about this book is its undeniable optimism and the pathway it describes to more sustainable employment relations strategies. This is not a naive optimism but is well-founded; securely anchored in insightful scholarly observations of what works in

this fascinating industry."mdash;Peter Waring, *Critical Perspectives on International Business*"What can airlines do in this new environment to overcome the obstacles and move toward sustainable profits? That is the subject of *Up in the Air*; to explain how the industry got to this point and what can be done to make it profitable. The central thesis, backed up with strong evidence, is that employee and customer satisfaction can coexist with increased revenue and profits. . . . *Up in the Air* uses statistics and anecdotes effectively. There are many tables and charts, but they are simple and usually easy to understand. There are also interviews with leading industry experts and company officials as well as stories of successes and failures. . . . This is an informative, balanced, well-researched, astute, and instructive treatise on the airline industry. The book is quite accessible to readers who are neither economists nor familiar with the industry."mdash; Carl Barsky, *Monthly Labor*, November 2010"Up in the Air is a fascinating account of the airline industry and its evolution. . . . Flying is an integral part of today's world and the low-cost airline model has increased this exponentially. As such a significant piece of our infrastructure it is important that we have a well-developed understanding of the necessary underpinnings of this complex business model. The authors have added first, a balanced, historical perspective of the business development and employee relations within airlines. Second, they offer strategic thinking from their research, which allows for sound planning within contemporary expectations of stakeholders at all levels. Third, they offer solutions for the growth and development of sound employee relations. For the human resource professional there is much value within this work. It is airline specific yet most readers would have a broad understanding of the salient arguments. It has research outcomes and analysis which are transferable to the workplace and HR strategic thinking and planning. It contains valuable models and diagrams, is well annotated and referenced. While academic in style, it is an easy read and tightly structured. It is also well written and has a clear place in today's employee relations literature."mdash;Geoff De Lacy, *Asia Pacific Journal of Human Resources*, November 2010"Up in the Air is a great read; it features fascinating data and persuasive arguments and is an important contribution to the literature on airlines."mdash;Peter Cappelli, George W. Taylor Professor of Management, Wharton School of the University of Pennsylvania"Up in the Air is a very useful compendium of data about and experience in the airline industry. Every political, union and industry executive concerned about the industry's fate will learn something from its pages, which include suggestions for bringing better labor-management relations into being."mdash;Robert L. Crandall, Retired Chairman and CEO, American Airlines"The authors of *Up in the Air* ask all the right questions about this fundamental yet unstable industry. But they also offer a road map to success for the primary stakeholdersmdash;consumers, employees, and investors."mdash;Patricia Friend, International President, Association of Flight Attendants-CWA, AFL-CIO"This book should be mandatory reading for management and unions, to help them to reformulate policies to achieve better industrial relations and support a stronger aviation industry."mdash;Ingo Marowsky, International Transport Workers Federation, London"This is a timely and important text on the low cost carriers that have transformed air travel in recent years. *Up in the Air* is written in a lively, accessible, and engaging style with a clear structure and an easy 'flow.' Greg J. Bamber, Jody Hoffer Gittel, Thomas A. Kochan, and Andrew von Nordenflycht provide a detailed overview of the recent evolution of the U.S. civil aviation industry, especially the impact of low-cost competition and September 11, as well as a fascinating account of the relative performance of different airlines. This analysis is extended to other aviation markets around the globe to produce a comprehensive account of competition, business strategies and human resource management in the industry. The authors also offer a thoughtful prognosis and practical steps for the future, to which policy makers, airline managers, and trade unionists should pay particular attention."mdash;Peter Turnbull, Cardiff University, Wales

From the Back Cover" This book should be mandatory reading for management and unions, to help them to reformulate policies to achieve better industrial relations and support a stronger aviation industry."--Ingo Marowsky, International Transport Workers Federation, London

About the Author Thomas A. Kochan is the George M. Bunker Professor of Management at MIT's Sloan School of Management. He is coeditor of *Negotiations and Change* and *After Lean Production* and coauthor with Saul A. Rubinstein of *Learning from Saturn*, all from Cornell.