The Future of Work in Airlines: Recover and Thrive in the Next Normal

JUNE 2020
Navigating New Expectations to Shape the Next Normal

Airlines are simultaneously navigating the immediate impacts of COVID-19 on their business and working to position themselves for the “next normal.”

**Operational Downsizing**
While demand slowly returns, airlines must contend with potentially significant downsizing and handling excess capacity as 2019-level load factors aren’t expected to return for another 2-3 years.

**Pervasive Health Concerns**
With customers’ and employees’ increased attention on health and safety, airlines must adopt new activities and adapt to the shifting role of the airline.

**Accelerated Digital Adoption**
Economic and operational constraints have resulted in a sudden and immediate need to accelerate digital solutions – particularly ones that enable touchless self-service-g geared journeys.

**Shifting Customer Expectations**
Norms around corporate responsibility, operational transparency, and individual customer choice are rapidly shifting with evolving regulations and consumer sentiment.

**Evolving Regulations**
Government regulations and restrictions will have ripple effects on airline operations and culture in the short and long term.

While COVID-19 was the disruptor this time, airlines can seize this opportunity to fundamentally re-think the business from the ground up in order to thrive in the “next normal” and face future disruptors.
Rising to Challenges Together with the Airline Ecosystem

Airlines and their partners will need to determine how they collectively adapt to the “next normal” of passenger and employee expectations.

**What could be in store for**

<table>
<thead>
<tr>
<th>SELECT AIRLINE RELATIONSHIPS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Airport Authorities</strong></td>
</tr>
<tr>
<td>Airports and airlines should continue to operate in lockstep to ensure the health and safety of passengers and employees, and may explore how they accelerate the deployment of biometrics, thermal imaging, and contactless self-service technology (e.g. grab-n-go food options, self-cleaning toilets).</td>
</tr>
<tr>
<td><strong>Aviation Security</strong></td>
</tr>
<tr>
<td>Aviation security bodies (e.g. TSA, CBP, FAA) will focus on setting necessary regulations, working with airlines to build up data-sharing capabilities, accelerate the deployment of biometrics and contact tracing technologies, and develop coordinated playbooks for future disruptions.</td>
</tr>
<tr>
<td><strong>Aircraft Design</strong></td>
</tr>
<tr>
<td>Aircraft cabin designs may place greater emphasis on premium cabin space to drive greater revenue, or be reimagined to allow for a flexible mix of passengers and cargo as demand for each fluctuates.</td>
</tr>
<tr>
<td><strong>Aircraft Sanitation</strong></td>
</tr>
<tr>
<td>Airlines may seek to increase oversight over sanitation and other vendors to ensure potential mandated sanitation requirements are properly met.</td>
</tr>
<tr>
<td><strong>Catering Services</strong></td>
</tr>
<tr>
<td>A low- or no-contact journey may drive reduced inflight food and beverage service, placing greater emphasis on airport lounges or restaurants service. There may also be an increased emphasis on food safety and associated packaging, and having passengers order food/beverages from their seats.</td>
</tr>
<tr>
<td><strong>Workplace Security</strong></td>
</tr>
<tr>
<td>Airlines will need to work with security vendors to expand safety and security measures as appropriate (e.g. thermal imaging screening, contact tracing) without fostering a culture of fear or distrust.</td>
</tr>
<tr>
<td><strong>Airport Retailers</strong></td>
</tr>
<tr>
<td>Airlines may expand their relationships with airport restaurants and retailers to drive revenue while decreasing contact (e.g. allowing customers to purchase goods on board and pick up at the destination airport, providing restaurant discounts/vouchers for loyal/premium passengers).</td>
</tr>
<tr>
<td><strong>Corporate Travel</strong></td>
</tr>
<tr>
<td>As businesses around the world reevaluate travel policies, airlines could work with corporate travel procurement groups to adjust incentives or offer vouchers for future use to help smooth out demand fluctuations.</td>
</tr>
<tr>
<td><strong>Alliances and Partnerships</strong></td>
</tr>
<tr>
<td>Airlines’ partnerships with other airlines (e.g. alliances and JVs) and travel and hospitality companies (e.g. hotels, car rental) could grow beyond customer loyalty to include efforts to hold each other accountable to heightened health and safety standards (e.g. reciprocal sanitation endorsements).</td>
</tr>
</tbody>
</table>

**Communication, collaboration, and coordination across the ecosystem will be vital; players should not go at this alone**
## Imperatives for Airlines to Recover & Thrive

As airlines prepare to transition to recovery, they can purposefully challenge longstanding orthodoxies and embrace the following imperatives to guide their efforts – all in coordination with their ecosystem partners.

<table>
<thead>
<tr>
<th>Imperative</th>
<th>How might the imperative challenge pre-COVID orthodoxies?</th>
<th>What questions can airlines ask themselves to act on the imperative?</th>
</tr>
</thead>
</table>
| **Broaden the Culture of Health & Safety**  | Passenger and employee safety will no longer be primarily focused on physical security, and regulations will likely cause both short and long term operational shifts. | • How might new regulations impact existing practices and routines?  
• How should both customer and employee preferences and expectations around wellness and safety drive products, services, and routines?  
• What is our role and responsibility in protecting global public health as well as passenger and employee physical safety? |
| **Quickly Ramp-Up to Productivity while Building Organizational Agility** | As productivity takes on a new meaning, airlines will likely need to rethink their decision-making structures, metrics for success, and talent models to become more nimble without compromising the core culture. | • How can we leverage workforce analytics and the open talent market to build a more agile organization that can respond to and anticipate evolving customer needs?  
• How should we re-engage our previous workforce in collaboration with labor groups?  
• What additional talent should we seek to address skills gaps created by new work outcomes?  
• Who should make decisions and how can we accelerate decision-making?  
• How did the airline’s culture help or hinder its response during the crisis and what cultural norms will be required to be successful in the future? |
| **Identify Capabilities to Retire, Accelerate, Enhance, or Outsource** | Organizational capabilities will no longer be based on filling open jobs within the existing structure, but rather on how to adapt to produce outcomes needed from people and technology. | • How has the customer journey evolved, and what work should stop, start, or continue, accordingly?  
• Given new work outcomes, where are there skills gaps and what skills are no longer needed?  
• How will downsizing shift the balance between a highly specialized vs. a cross-educated/utilized workforce?  
• As the regulatory environment shifts, what capabilities might airlines need to build up? |
| **Rethink Workplace Strategy** | While emphasis on contactless service grows and regulations reshape both passenger and employee interactions, so too does the need to evaluate where work happens and how that impacts face-to-face engagement across aircraft, airports, and offices. | • How should the airlines’ variety of work spaces (airplanes, airports, hangars, etc.) adapt to the next normal?  
• Which jobs and tasks can shift to remote work or touchless customer self-service?  
• Given a refined workplace strategy, what value does physical office space drive? |
| **Invest in Cognitive Automation & Digital Enablement** | Technology investments will expand beyond driving cost reductions, creating incremental efficiencies, and helping fulfill current job needs to enabling contactless journeys and the redesign certain jobs. | • What can be automated now to reduce human-to-human contact?  
• How can digital enablement drive enhanced customer and employee experiences?  
• With work becoming increasingly digital, how should we adjust our workforce strategy and redesign certain jobs? |

Relying on how things have “always been done” will not be possible as the world shifts to the next normal, not back to business as usual.
Future of Work: “The Future is Now”

As airlines navigate the COVID19 pandemic and take action towards the five imperatives, there are key considerations across work, workforce, and workplace; different approaches and tactics to be considered across core functions; and varying levels of priority.

**Future of Work Drivers**

**Work**
How the nature of work is changing to achieve new business goals, requiring new human and technological capabilities and new ways of designing work?

**Workforce**
What skills are needed to perform the work as it changes and how organizations can close talent gaps by building (upskilling current), buying (acquiring new), or borrowing (tapping alternative workforces)?

**Workplace**
Where the work can get done and how we can maximize collaboration, productivity, and consistency with physical design and technologies while building the culture and workforce experience needed to drive the strategy?

**Audience**

**On the Ground**
Airport-based workforce (e.g. ramp crews, customer service agents, maintenance & engineering)

**In the Air**
Airplane workforce (e.g. pilots, flight attendants)

**In Office**
HQ, supporting functions, and other office-based roles (e.g. contact centers, reservation agents, network planning, loyalty)

**Priority**

**Recover: Critical to Consider in Restarting Operations**
Address gaps revealed when responding to COVID19, effectively restart operations, and ensure both passengers and employees feel safe returning.

**Thrive: Evolve & Accelerate Longer-Term Growth**
Tackle new post-COVID19 realities and position the organization for longer-term growth.
# Imperatives in Action: Reimagining Key Roles

Considering the disruptive nature of the imperatives for recovery and resiliency, opportunities for automation, enabling technology to facilitate remote work, and the ability to access talent in new ways, airlines can seek to reimagine several core roles.

<table>
<thead>
<tr>
<th>Imperatives Driving Transformation</th>
<th>Data Analyst</th>
<th>Flight</th>
<th>Attendant</th>
<th>Customer Service Agent</th>
<th>Maintenance Technician</th>
<th>Ramp Crew Chief</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health &amp; Safety</strong></td>
<td>Risk analysis based on internal and external data</td>
<td>Front-line focus on health and safety protocols</td>
<td>Emphasis on decreased human-to-human contact</td>
<td>Empowered with operational and health &amp; safety information</td>
<td>Empowered with tools to decrease safety risk</td>
<td></td>
</tr>
<tr>
<td><strong>Ramp-Up to Productivity &amp; Org. Agility</strong></td>
<td>Real-time information sharing with front-line</td>
<td>Leverage the most up-to-date information</td>
<td>Reduction of rote, mundane work</td>
<td>Faster response and resolution capabilities</td>
<td>More secure and punctual operations</td>
<td></td>
</tr>
<tr>
<td><strong>Retire, Accelerate, Enhance, or Outsource</strong></td>
<td>Enhancing new analytical capabilities</td>
<td>Enhancing the customer experience</td>
<td>Accelerating touchless self-service and outcome focused activity</td>
<td>Accelerating the “connected warehouse” concept</td>
<td>Enhancing capability for real-time coordination and decision making</td>
<td></td>
</tr>
<tr>
<td><strong>Workplace Strategy</strong></td>
<td>Can work anywhere it is most strategically advantageous</td>
<td>Critical to the customer experience in the air</td>
<td>Ability to flex between ticketing and gate</td>
<td>Can more quickly move to where work is needed</td>
<td>Integrate the work between warehouses, terminal, and operations</td>
<td></td>
</tr>
<tr>
<td><strong>Cognitive Automation &amp; Digital Enablement</strong></td>
<td>Provides data analytics and predictive modeling</td>
<td>Empowered with new tools</td>
<td>Helping customers use their own mobile devices for self-service</td>
<td>Leverage technology to predict maintenance needs</td>
<td>Improved technology to enable better coordination</td>
<td></td>
</tr>
</tbody>
</table>

---

Illustrative purposes only
Sample Role Profile: Customer Service Agent (gate/ticketing)

**PRE COVID-19**

**Role Profile & Tasks:**
Provide safe hands-on support for passengers in airports
- Tasks: support safe and timely check-in, boarding, and deplaning processes at their station through face-to-face customer and crew interactions

**Work Outcomes:**
Passenger journeys with frequent agent contact, high usage of shared technology platforms (e.g. check-in kiosks, boarding pass scanners) and some usage of personal devices

**Skills:**
- Interpersonal skills, teamwork, basic medical training, use of airport legacy technology at check-in counters and gates

**Talent Options:**
- Full-time employees who are directly employed by the airline

**Location:**
Check-in counters and gates

**Tools:**
- Computer, local servers, limited network integration

**POST COVID-19**

**Role Profile & Tasks:**
Enable safe and healthy passenger touchless self-service in airports
- Tasks: deliver on expanded health & safety measures through decreased human-to-human interactions (e.g. increase self-service for bag tagging and drop off) and increased use of technology to automate routine tasks and enable personalized service (e.g. helping passengers use their own mobile devices to check-in via remote screen access)

**Work Outcomes:**
Passenger journeys with minimal agent contact and increased use of personal devices, and agent usage of technology to deliver safe and customized experiences

**Skills:**
- Less emphasis on routine tasks (e.g. scanning boarding passes) and human-to-human interactions
- More emphasis on using / navigating technology (e.g. tablets with insights on passenger needs and preferences) to deliver safe, personalized, and consistent passenger experiences with empathy (e.g. handling complex health conversations)

**Talent Options:**
- Potential mix of full-time employees who are directly employed by the airline, remote or outsourced support agents to provide on-demand troubleshooting, and part-time employees who serve multiple airlines at the station thanks to alliances/JVs

**Location:**
Check-in “areas” and gates, and possibly remote support

**Tools:**
- Handheld device with access to comprehensive real-time data (e.g. contact tracing) enabled by cloud server

Blue text: key changes to roles post COVID-19
Illustrative purposes only
Core Considerations

Given the unique environment airlines operate in, there will be several considerations they need to keep top of mind when taking action towards the imperatives.

- **Ecosystem Coordination**
  How can airlines and their partners increase communication and collaboration to drive coordinated action?

- **Union Engagement**
  How can airlines consult with labor groups at both the local and national levels to ensure the wellbeing of their employees?

- **Contractor & Vendor Oversight**
  How can airlines ensure their contractors and vendors meet the elevated safety and health standards that will likely be required in the next normal?

- **International Implications**
  What efforts might airlines be able to test domestically before rolling them out internationally, and vice versa?

- **“Co-opetition”**
  How can airlines compete effectively while also seeking opportunities to band together to drive safe, healthy, and efficient operations?
Getting Started

With the core considerations in mind, airlines can begin to take action toward the imperatives to recover and thrive.

**Airlines Sector**

Regardless of where airlines find themselves on this journey, airlines must fundamentally redefine their business to thrive in the “next normal” rather than simply re-tooling what they have today.

### Immediate Opportunities

- Assess the **Voices of Customers and Employees** to understand future-state expectations and pain points—and understand how mitigation tactics will affect employees’ duties and work experience.
- Determine which **capabilities are broadly applicable and available** in the organization, and identify work groups for potential temporary/permanent redeployment.
- Ignore “the way we’ve always done it”: Take stock of the assumptions that have guided routines and processes to-date—then discard what doesn’t serve your future needs.
- Accelerate app development/deployment to increase opportunities for **customer and employee touchless self-service** (e.g., processing checked bags before arriving at the airport; pre-ordering in-flight meals).
- **Deploy Unconscious Bias** trainings to guard against threats to diversity & inclusion efforts.

### Mid-Term Prospects

- **Invest in process automation** most critical to near-term business success.
- Identify opportunities to rethink **organizational structures** to enable rapid, coordinated, and clear decision-making and redeployment of resources.
- **Begin transformation from on-premises to cloud computing**, including investments in security, infrastructure, cloud service, and talent.
- Inventory existing **data types and sources** (e.g., customer buying patterns, weather, historical performance; from customer interactions, outside sources, airport records) and a roadmap for robust **information management and data integration** processes and application.
- Implement **robotic process automation** wherever feasible and cost-effective, particularly for cleaning and sanitation purposes.

### Long-Term Plays

- Continually re-evaluate and revise **risk mitigation** playbooks, to enhance organizational ability to respond.
- Explore large-scale, end-to-end **business transformation** (i.e., HR, IT, Finance) to streamline operating models, reduce redundancies from legacy business units, and drive long-term organization effectiveness.

<table>
<thead>
<tr>
<th><strong>RECOVER</strong></th>
<th><strong>THRIVE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Immediate Opportunities</strong></td>
<td><strong>Mid-Term Prospects</strong></td>
</tr>
<tr>
<td>- Assess the <strong>Voices of Customers and Employees</strong> to understand future-state expectations and pain points—and understand how mitigation tactics will affect employees’ duties and work experience.</td>
<td>- <strong>Invest in process automation</strong> most critical to near-term business success.</td>
</tr>
<tr>
<td>- Determine which <strong>capabilities are broadly applicable and available</strong> in the organization, and identify work groups for potential temporary/permanent redeployment.</td>
<td>- Identify opportunities to rethink <strong>organizational structures</strong> to enable rapid, coordinated, and clear decision-making and redeployment of resources.</td>
</tr>
<tr>
<td>- Ignore “the way we’ve always done it”: Take stock of the assumptions that have guided routines and processes to-date—then discard what doesn’t serve your future needs.</td>
<td>- <strong>Begin transformation from on-premises to cloud computing</strong>, including investments in security, infrastructure, cloud service, and talent.</td>
</tr>
<tr>
<td>- Accelerate app development/deployment to increase opportunities for <strong>customer and employee touchless self-service</strong> (e.g., processing checked bags before arriving at the airport; pre-ordering in-flight meals).</td>
<td>- Inventory existing <strong>data types and sources</strong> (e.g., customer buying patterns, weather, historical performance; from customer interactions, outside sources, airport records) and a roadmap for robust <strong>information management and data integration</strong> processes and application.</td>
</tr>
<tr>
<td>- <strong>Deploy Unconscious Bias</strong> trainings to guard against threats to diversity &amp; inclusion efforts.</td>
<td>- Implement <strong>robotic process automation</strong> wherever feasible and cost-effective, particularly for cleaning and sanitation purposes.</td>
</tr>
</tbody>
</table>

Regardless of where airlines find themselves on this journey, airlines must fundamentally redefine their business to thrive in the “next normal” rather than simply re-tooling what they have today.
Contacts

Charlie Buchanan  
Airlines FOW Lead  
cbuchanan@Deloitte.com

Lauren Mann  
Airlines FOW SME  
laurenmann@Deloitte.com

Development Team: Rebecca Anderson, Steph Charouk, David Hasenbalg

SME Advisors: Jack Appelbaum, Candice Irvin, Anthony Jackson, Liz Krimmel, Bryan Terry