

LERA Airline Industry Council Receives FMCS Grant
One-year Project Underway to Study Low Cost Carriers
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The LERA Airline Industry Council has announced it is the recipient of a \$125,000 grant from the Federal Mediation and Conciliation Service. The grant will fund a project to investigate case studies of firms operating as lower cost airlines in the U.S. and other parts of the world and to identify training needs and opportunities for enhancing the effectiveness of the labor relations system in the industry.

The grant was announced on February 18 by LERA Airline Industry Council co-chairs Thomas A. Kochan of MIT; Jody Hoffer-Gittell of Brandeis University; Patricia Friend, president of the Association of Flight Attendants (AFA); and Rob DeLucia, vice president of the Airline Industrial Relations Conference. The council's labor-management committee plans to meet at least bimonthly and with larger groups of labor-management participants to discuss the research and its implications. The National Mediation Board will also be a partner in the discussions.

Patricia Friend, pointed out the AFA was supporting the initiative believing that a cooperative labor-management relationship will ensure the long term success of the airline industry. "We hope with this grant, we are able to create a forum that allows for meaningful and productive labor-management dialog that will result in a true partnership in our industry."

It is expected that this FMCS grant will enable labor and management to jointly achieve several specific results by supporting expanded and on-going Airline Industry Council meetings that engage leaders from business, labor, government, the neutral community, and academia in analysis, discussion, and dissemination of research and innovations in the industry.

The achievement of these objectives will lay the groundwork for improvements in several areas: improved labor-management relationships, improved job security and organizational effectiveness at the airlines involved, more involvement by workers in decisions affecting their working lives, and improved communications between union and industry leaders as well as between unions and their membership. Progress in these areas will contribute to a qualitatively better work environment in the industry and will strengthen both individual air carriers and the overall industry.

Kochan outlined some of the areas of study regarding the lower cost, regional and "point to point" carriers. He explained three questions about this sector are of central interest to all parties in the industry. Is a new model of labor-management relations emerging in this sector that will avoid some or all of the pitfalls experienced in the older hub and spoke segment of the industry? Are some of the same variations in the quality of relationships observed among the older carriers present across the newer firms? What can be learned from studying these newer carriers about the longer term dynamics and prospects for the industry?

Another major objective of the project will be to identify training needs and opportunities for enhancing the effectiveness of the labor relations system in the industry. It is anticipated that training would encompass topics such as interest-based negotiations, development and use of voluntary protocols for negotiations and use of National Mediation Board resources and procedures, employee participation in workplace problem solving, basic training in the economics and financial future of the industry, and other topics of mutual interest the parties choose as priority topics.

“The National Mediation Board is a critical partner in efforts to improve the conduct of collective bargaining and dispute resolution in this industry and has been an active participant in the dialog that preceded formation of the Council,” Kochan commented. Its members are also charter members of the Council and will be active participants in its deliberations and analysis.

The Project is co-sponsored by the MIT Global Airlines Industry Program and LERA, through a grant to support LERA Industry Councils made possible by the Alfred P. Sloan Foundation

The LERA Airlines Industry Council is one of seven chartered or soon-to-be chartered councils in the Labor and Employment Relations Association. Those other councils include Aerospace, Automobile, Construction, Health Care, Public Sector-Federal, and Utilities. For more information on the grant, Airlines Council, or LERA industry Councils, visit the LERA website at www.lera.uiuc.edu.

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