How to Right-skill for Recovery?

Soumaya BEN LETAIFA
CEO Innova Conseil
Director Self Leadershiop Lab, Geneva
soumayabenletaifa@innovaconseil.com
Director of the Self Leadership program for Africa and MENA region (University Of Geneva)
Founded in 2012:
Innova conseil is a consulting firm that was founded in Montreal, primarily tackling the North American market's strategy, marketing, and human resources fields.

Expansion in 2016:
Innova Conseil has expanded its services to the MENA region and Africa and has opened a Tunisian branch. Its expertise extends across two continents, two HQ and with 15 collaborators. A niche consultancy player.
Many travel sectors need to stop wondering when workers will return. They are not.

Make do with what you have and right-skill.
2.3 million direct aviation jobs have been lost across airlines, airports, and civil aerospace firms since the emergence of Covid-19 worldwide—a 21% decrease from pre-pandemic levels.

Source: Financial Times, Aerospace industry grounded by lost jobs and lack of staff.; IATA; AFRAA
The Repair and Operations (MRO) sector is facing a mix of growing demand and a decline of technicians, confirming what most airlines already know: the aviation industry is suffering from a critical skills shortage.

A 35% rise in service complaints from May to June, and complaints are about 270% higher than pre-pandemic levels.

Source: VHR blog, The solution to the aviation skills shortages
Source: Washington post, Airline labor problems aren’t going away
Impacts

Young talents are losing faith in the industry; thus, they are fleeing and no longer want to work in the aviation industry.

Costs are increasing in order to retain the remaining talents.

Customer experience is downgrading.

Number of complaints is increasing.

Exception: Delta

Need to Re-Market Aviation: Positioning the Aerospace & Aviation sector as an interesting and rewarding career choice.
IATA expects overall traveler numbers to reach **4.0 billion in 2024**, exceeding pre-COVID-19 levels.

“Airlines are resilient. People are flying in ever greater numbers. And cargo is performing well against a backdrop of growing economic uncertainty. Losses will be cut to **$9.7 billion** this year and profitability is on the horizon for **2023**. It is a time for optimism” Willie Walsh, IATA’s Director General, 2022.
**North America**

- The strongest performing region and the only region to return to profitability in 2022.
- Supported by the large **US domestic market** and the re-opening of international markets, including the North Atlantic.
- Net profit is forecast to be $8.8 billion in 2022.
- Demand (RPKs) is expected to reach **95.0%** of pre-crisis (2019) levels, and **capacity 99.5%**.

**Africa**

- Lower vaccination rates have dampened the region’s air travel recovery to date.
- Some catching up is likely this year, which will contribute to an improved financial performance.
- Net losses are forecast to be **$0.7 billion** in 2022.
- Demand (RPKs) is expected to reach **72.0%** of pre-crisis (2019) levels, and **capacity 75.2%**.
The percentage of international routes operated by African airlines exceeded the pre-Covid level in October, to reach **100.31%**.

- Ethiopian airlines have opened new intra-African 5th freedom routes. Royal Air Maroc and Egyptair also reopened some previously closed routes.

- 8 airlines in this top 15 have reached or exceeded their number of international routes of the pre-Covid period.
Passenger revenues $498 B

Cargo revenues $191 B

Revenues $782 billion (+54.5% on 2021), 93.3% of 2019 levels. Flights operated in 2022 are expected to total 33.8 million = 86.9% of 2019 levels (38.9 million flights).

Expenses $796 billion. 44% increase on 2021. The increase was driven by costs of supporting larger operations and the cost of inflation in some key items.

- At $192 billion, fuel is the industry’s largest cost item in 2022 (24% of overall costs, up from 19% in 2021). This is based on an expected average price for Brent crude of $101.2/barrel and $125.5 for jet kerosene.
- Airlines are expected to consume 321 billion liters of fuel in 2022 compared with the 359 billion liters consumed in 2019.
- Fuel will account for about a quarter of costs in 2022.

- Labor is the second highest operational cost item for airlines.
- Direct employment in the sector is expected to reach 2.7 million, up 4.3% on 2021 as the industry rebuilds and the significant rise in productivity in 2020. Employment is still, however, somewhat below the 2.93 million for 2019. It is expected to remain below this level for some time. Unit labor costs are expected to reach 12.2 cents available ton kilometer (ATK) in 2022, which is essentially back to 2019 levels when expressed in 2019 dollars.
- The time required to recruit, train, complete security/background checks, and perform other necessary processes before staff are “job-ready” is presenting a challenge for the industry in 2022. In some cases, employment delays may act as a constraint on an airline’s ability to meet passenger demand.
- In countries where the economic recovery from the pandemic has been swift and the unemployment rate is low, tight labor markets and skill shortages are exacerbating upward pressure on wages. The industry’s wage bill is expected to reach $173 billion in 2022 (around 22% of overall costs), up 7.9% on 2021, and disproportionate to the 4.3% increase in total jobs.
The pandemic has been a portal to change in so many ways, and the innovation is coming at the edges as it always does.

New trends will define the travel industry for 2023/2024.

Companies need to work harder at being flexible, innovative, and to reskill, upskill and rightskill their staff.

“True leadership in the new normal. We must bring back the passion, and you must be a role model to lead the team.”
As aviation rebuilds from the biggest crisis in its 100-year history, it is essential that those leading the transition into a more sustainable future, possess the correct skill set.

Training is the bridge between the state of the industry today and a strong, successful recovery.

1. New areas of focus: Safety, Sustainability, Leadership, Data Science, Cybersecurity, AI, new CX

1. New competencies to build with Competency-based training and assessment (CBTA)

“The Future Belongs to Those Who Learn More Skills And Combine Them in Creative Ways”
3 pillars: Recruiting, Assessment & Training

What skills?
Who should we recruit? For which skills?

How to evaluate?
How can we measure and evaluate?

How to right skill?
How can we unleash the right/full potential?
First pillar: Recruiting

What skills?
Who should we recruit? For which skills?

How to evaluate?
How can we measure and evaluate?

How to right skill?
How can we unleash the right/full potential?
New competencies and expectations

As uncertainty is the new certainty, new expectations and new management, competencies and skills are required to prepare, face and adapt to disruptions, crisis, changes.

**Today’s demands on managers**

**Towards the company**
- Not just adapt to change, but live it fully
- Not just do what we’re told, but anticipate, propose, assume
- To overcome business obstacles and move on between requirements and initiative

**Towards themselves**
- Towards new challenges, new ideas, new interactions
- By accepting their environment, their added value, their responsibility
- For decision-making, and for the meaning we give to what we do
Gartner: Self Leadership Matrix (2021)

Self Leadership helps strengthen skills and anchor other new areas of focus:

1. Safety
   - Ownership and decisiveness
   - Achievement orientation
   - Grit and persistence
   - Coping with uncertainty
   - Self development

2. Sustainability
   - Role modeling
   - Win-win negotiations
   - Crafting an inspiring vision
   - Organizational awareness

3. Data Science
   - Empathy
   - Inspiring trust
   - Humility
   - Sociability

4. Cybersecurity
   - Data literacy
   - Smart systems
   - Cybersecurity literacy
   - Tech translation and enablement

5. New CX
   - Programming literacy
   - Data analysis and statistics
   - Computational and algorithmic thinking

Entrepreneurship

- Self-awareness and self management
- Goals achievement
- Vision

- Self Leadership
- Entrepreneurship

- Visualization
- Creativity
- Innovation

- Critical thinking
- Planning and ways of working
- Communication

- Cognitive
- Mental flexibility
- Flexibility

- Storytelling and public speaking
- Asking the right questions
- Synthesizing messages
- Active listening

- Structured problem
- Solving logical reasoning
- Seeking relevant information
- Understanding biases

- Workplan development
- Time management and prioritization
- Agile thinking
- Ability to learn

- Courage and risk taking
- Driving change and innovation
- Energy passion and optimism
- Breaking orthodoxies

- Fostering inclusiveness
- Collaboration
- Compassion

AFRAA 54TH ANNUAL GENERAL ASSEMBLY
They aligned to put (self) leadership as the key skill for a successful covid-19 recovery
Second pillar: Assessment

How can we measure and evaluate?

What skills?
Who should we recruit? For which skills?

How to evaluate?
How can we measure and evaluate?

How to right skill?
How can we unleash the right/full potential?
What is not measured, does not exist
Measure the Effectiveness of an Aviation Training Program

The objective of any Organization learning objective should be to both provide for a Return on Investment and to improve the employees' personal skill set.

To measure the improvement of engagement among employees as they continue to learn from each other.

To measure the effectiveness of the management’s ability to ensure employees are applying the learned concepts accurately and correctly within the organization.

To confirm Knowledge Transfer is helping if all the employees possess the right knowledge and skills to meet performance targets.

➔ One of the best methods to measure the effectiveness of the training program is to know if trainees are capable to transfer their knowledge to others.
Testing trainees after every training and on the basis of their knowledge level related to a given subject is highly relevant to measure training effectiveness.

- Allows assessment of any improvements
- Motivates employees to get better with each training program
- Fosters “Team Spirit” by bringing employees together, in cooperation also encourages the best results
3 pillars: Recruiting, Assessment & Training

What skills? Who should we recruit? For which skills?

How to evaluate? How can we measure and evaluate?

How to right skill? How can we unleash the right /full potential?
“Right-skilling means **equipping your workforce with the right skills to do the tasks they’re facing**—an area that’s become much more relevant in an ever-evolving business landscape,” Forbes (2022).

Although it’s often confused with re-skilling (or re-training employees for different roles, so they can pivot), right-skilling is geared toward **keeping employees productive and enabling them to deliver value in their current positions**.
How to right-skill?

Unleashing the full potential is the only way to right-skill

To give managers:

- The means to become aware of their **role**, their **skills** and their **values**.
- The energy – like trust – to **take their rightful place within the company** as well as in the general airline ecosystem.

Investing in training must be perceived as an asset since it is the key to the industry recovery, leading to a significant return on investment.
Moving towards an agile organization

The agile organization is dawning as the new dominant organizational paradigm.

Rather than organization as machine, the agile organization is a living organism.

From organizations as “machines” ...

... to organizations as “organisms”

Top-down hierarchy

Quick changes, flexible resources

“Boxes and lines” less important, focus on action

Bureaucracy

SILOS

Leadership shows direction and enables action

Teams built around end-to-end accountability

Detailed instruction

Expertise

Leadership
Innovative Leadership: A Key Strategy Amidst Recovery

Over the last two years, COVID-19 on one hand, has been for some airline companies an era of stagnations, and on the other hand an era of innovation and continuous improvement for others. In fact, some airline companies faced this disruptive change as a threat and a risk, while others as an opportunity to seize for reinvention.

However, we cannot deny that COVID-19 was a catalyst of the digital transition and a stimulator for innovative leadership. In this context, it’s worth mentioning that Royal Air Maroc (RAM), one of Africa’s leading airline organizations has set the bar high by making a pioneering initiative with its Digital Open Innovation Program that spread out worldwide in a few months.

Indeed, this Program is a great example of self-leadership application. During the pandemic, RAM’s vision evolved from 2.0 to 3.0, and the Open Innovation Program was a successful strategic recovery initiative for the year 2022. The Program was a great initiative for the company to open to the startup ecosystem worldwide, as
Innova Conseil has been steering RAM post covid transformation: RAM 2.0

1. New 2.0 Organization
2. HR Transformation
3. IS Transformation
4. Commercial Representations’ Reconfiguration
5. Marketing Diagnosis & Action plan
6. Task-forces’ Coaching
7. Self Leadership Program
8. A New Academy Agenda
9. RAM Digital Open Innovation
10. Deployment of New Values
11. New 3.0 Organization
Transition from 2.0 to 3.0
A new Mindset, a Cultural Shift

"Your Culture is Your Brand"
A new Mindset, a Cultural Shift

PERCEIVED BRAND

UNDERLYING BRAND CULTURE

Brand
Customer attraction and retention

Culture
Talent Attraction and retention
Cultural alignment is a must

- The Best Strategy in the World won’t work if the Culture doesn’t fit.
- Corporate Culture doesn’t just happen.
- Culture always Wins
1. Build Your People and Culture Strategy: Recruitment, Training and Assessment based on targeted values and behaviors (beyond managerial and technical competencies)

2. Identify and Close Learning Gaps: Right-skilling is all about thinking about what areas people are currently struggling in and what opportunities are often missed and then training to address those gaps. For example, an airline with high rates of customer complaints might need to spend some focused efforts on customer service.

3. Create Continuous Learning Opportunities: Training should never be a one-and-done activity. The demands placed on employees are ever-changing, so why should their training be static? It’s impossible to right-skill an employee one time and be done with it, because the “right” skills are always evolving.

4. Build a More Effective Training Ecosystem with strategic partners: New Aviation Academies can tackle the aviation skills shortage.
THANK YOU

CONTACTS
African Airlines Association | P.O.Box 20166 00200 GPO, Nairobi, Kenya
GSM: +254 20 2320144 | +254 20 23 20148
Cell: + 254 (0)722 20978| +254 (0)735 337669

www.afraa.org
Coaching and training’s impacts

**Tangible Business Impacts**

<table>
<thead>
<tr>
<th>Impact</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productivity</td>
<td>53%</td>
</tr>
<tr>
<td>Quality</td>
<td>48%</td>
</tr>
<tr>
<td>Organizational Strength</td>
<td>48%</td>
</tr>
<tr>
<td>Customer Service</td>
<td>39%</td>
</tr>
<tr>
<td>Reduced Complaints</td>
<td>34%</td>
</tr>
<tr>
<td>Own Retention</td>
<td>32%</td>
</tr>
<tr>
<td>Cost Reductions</td>
<td>23%</td>
</tr>
<tr>
<td>Bottom Line Profitability</td>
<td>22%</td>
</tr>
<tr>
<td>Top Line Revenue</td>
<td>14%</td>
</tr>
<tr>
<td>Reduced Turnover</td>
<td>12%</td>
</tr>
<tr>
<td>Other Business</td>
<td>7%</td>
</tr>
</tbody>
</table>

**Intangible Business Impacts**

<table>
<thead>
<tr>
<th>Impact</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved Relationship: Reports</td>
<td>77%</td>
</tr>
<tr>
<td>Improved Relationship: Stakeholder</td>
<td>71%</td>
</tr>
<tr>
<td>Improved Teamwork</td>
<td>67%</td>
</tr>
<tr>
<td>Improved Relationship: Peers</td>
<td>63%</td>
</tr>
<tr>
<td>Improved Job Satisfaction</td>
<td>61%</td>
</tr>
<tr>
<td>Reduced Conflict</td>
<td>52%</td>
</tr>
<tr>
<td>Increased Organizational Commitment</td>
<td>44%</td>
</tr>
<tr>
<td>Improved Relationship: Clients</td>
<td>37%</td>
</tr>
<tr>
<td>Other Intangibles</td>
<td>31%</td>
</tr>
</tbody>
</table>

Source: Maximizing the Impact of Executive Coaching, THE MANCHESTER REVIEW
The Airline Sector Recovery

- The reduction in losses is the result of hard work to keep costs under control as the industry ramps up.

- The improvement in the financial outlook comes from holding costs to a 44% increase while revenues increased 55%. As the industry returns to more normal levels of production and with high fuel costs likely to stay for a while, profitability will depend on continued cost control, which also encompasses the value chain.

- Suppliers, including airports and air navigation service providers, need to be as focused on controlling costs as their customers to support the industry’s recovery,