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Six Ways to Find and Keep New Pilots

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We are now in the third year of an unprecedented shortage of pilots, and the situation is not going to get better quickly. There simply are not enough pilots in queue to fly your aircraft. How did this happen, why is it so, and what can you do?

Several factors contributed to the pilot shortage, among them:

- **Career Discouragement** – Air travel plunged after 9/11, and more than 14,000 pilots were laid off. In 2007, the mandatory retirement age was raised from 60 to 65, squelching upward income mobility for more junior pilots. That discouraged younger pilots from entering the field, resulting in a lean pipeline today, with more than 40% of active pilots, both in bizav and the airlines, due to retire in the next seven years.
- **Training Costs** – While starting pay at the regional airlines has gone up significantly, the cost of flight school continues to soar, and can range from \$50K to \$100K per year. Flight schools struggle to hire new instructors and examiners, and to

purchase training aircraft. So, many students must wait – sometimes months – for exams and checkrides before they can graduate.

- **New Regulations** – Six years ago, the FAA enacted a rule requiring commercial pilots – including those who fly charter – to have a minimum of 1,500 hours of accrued flight time for their Air Transport Pilot Certificate (up from 250 hours previously).
- **BizAv Growth** – After the 2008-09 economic downturn, business aviation is looking up. It is predicted that business aircraft delivery will rise this year by nearly 10% – and someone has to fly those airplanes.

The Outlook for Pilots

As a career path, being a pilot has not demonstrated a positive ROI for years. And while that situation is improving, as evidenced by the recent increase in flight school enrollments and starting salaries, we can't make a new pilot overnight.

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IT TAKES A BALANCE OF COMPENSATION AND TIME OFF TO CREATE A “STICKY” BIZAV ORGANIZATION

It takes a balance of compensation and time off to create a “sticky” BizAv organization today. So how can you attract and retain the best pilots?

Money isn’t everything, but it is a huge factor. International captains working for larger corporate operations now command a base salary of more than \$200K.

Equally important is time off. And “time off” means specific days, known well in advance, such that your pilot can make personal plans that won’t be usurped by a call out. Most other employees can count on two days off a week. That’s 110 days per year, not counting holidays, plus a minimum of two weeks’ vacation.

In BizAv organizations, it’s not uncommon to allow only two hard days off per month, or 24 per year. While 110 may not be the “magic number,” certainly somewhere in between would help. This time off is especially important for younger pilots.

Pilots choose to work in business aviation for a variety of reasons: a performance-based culture and environment, the ability to have broad and meaningful responsibilities, working in a close-knit team, a variety of trips and experiences, and truly seeing up close the positive impact their work has on their appreciative client and the bottom line of the company. But even the most loyal and dedicated pilot will sacrifice these benefits for the sake of their family life. “I’m really not being responsible to my family if I stay here in business aviation,” is a common lament. Don’t think this is only the pilot’s decision – their partners and families have a huge influence.

Retaining your pilots – and creating the ability to attract new ones – is a value that comes from the most senior person in the organization. When the CEO says, “Do what you need to do to keep us flying safely,” the combination of competitive compensation and time off can be achieved. Some large Fortune 500 companies have been able to make the compensation shift through the conventional HR and compensation channels, but often the mandate must come directly from your office.

Finding and Retaining Pilots

What steps can you take now to ensure that your NextGen pilots are satisfied and want to stay with you, and that new pilots will be in the pipeline when your current pilots retire?

1 Create An Appealing Company Culture – Offer your pilots a team-centered workplace in which they feel respected and valued, and where they can learn and thrive.

2 Track Data – Tracking data with respect to the schedule is key to understanding and helping you find a healthy solution. Diligently tracking every team member’s time on and off, as well as the actual times that crew members are called in for “pop-up” trips, will give you an accurate assessment of what you really need from a

staffing perspective. There often is a disconnect between stated requirements and actual, true needs. Do you really need your pilots on a three-hour call out? Nearly every other aspect of your business today is data-driven. Without clear and compelling data, you cannot make good decisions about whether and when to add to your head count.

3 Match Airline Benefits – Your biggest competition for pilots is the airlines. Airline pilots are given a clear picture of their compensation package over time throughout their contracts. Their 401 (k) accounts are directly funded in the range of 3-16% of salary. These funds immediately belong to the pilot, and cannot be lost in a company downturn. Work schedules are concrete and predictable, allowing for predefined time off, including vacation and holidays. Relocating a family typically is not an issue, since pilots can commute to any base. Many airlines offer their pilots compensation for the rest of their contracted career (often to age 65) should they lose their medical certificate.

4 Update Your Technology – Pilots need tools and technology to enable their success and ensure your safety. Younger pilots prefer to fly in aircraft with the latest avionics, and may not be experienced in – or comfortable with – older aircraft.

5 Be Flexible – Consider adopting a paradigm change with respect to your requirements for pilots. You might add lower-time pilots and work vigorously to train them to your department’s standards.

6 Offer Incentives – Consider encouraging pilot loyalty with “golden handcuffs.” Many companies today use them not only for executives, but for their aviation professionals. Offering additional compensation, usually stock that vests over time, makes it harder to leave. Some organizations offer pilots \$50K per year in equity, generally on a three-to-five year vesting scale. It’s not hard to walk away from a \$10K retention bonus – a new employer can easily make that up – but walking away from \$120K in unvested income takes a whole lot of fortitude. Retention bonuses create a short term presence, while vesting programs help create long term loyalty and commitment.

Attracting new pilots and retaining those who currently are younger than 40 will continue to be a challenge. Take these steps now to make sure that you and your aircraft will be able to keep flying. **BAA**



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