

I'm going to talk about change — not the kind that rattles in your pocket, but the kind that has rattled institutions and our way of life in recent years. Sweeping changes have transformed our world to an extent scarcely realized. The past is another country in which people did things differently. Compared with them, we are subject to supernormal rates of change.

We are better fed, better sheltered and better educated than the millions who preceded us on this planet. That doesn't mean we're superior in any way . . . we are just better educated to cope with unceasing changes in our society.

Your own careers are a manifestation of change, because change has greatly increased the *necessity* for training. One of my main responsibilities is to deal with changes that come in a constant flow . . . some anticipated and some by chance.

Increasing Government Involvement

Let's take a look at some of the changes impinging on the organizations you're identified with, and on the airlines. In the public sector we see increasing government involvement in business and industry. There are rules and regulations that intrude on management prerogatives in hiring practices, personnel policies and programs, products and production procedures, the production environment, financing, advertising and marketing. Where it will end . . . no one can say.

In the economic sector, for air transportation, we see a slowing rate of growth as compared with the 1960s, the increasing demands

of labor and the constant pressure of cost inflation. In the material sector, we see a changed situation in regard to fuel and in aircraft technology.

The aircraft has been an instrument of change and it will continue to be — although we have now reached a plateau in technology. New aircraft that are quieter, more fuel efficient and environmentally acceptable are on the drawing boards, but they do not offer the vast productive forward leap that jets achieved. The supersonic age that seemed so near in the 1960s is still in the obscure future. It looks as though we will have to get along with the same remarkable and wonderful subsonic jets.

The fuel shortage made us all aware, a while back, that a great change had occurred in the control of world petroleum resources. The airlines were hardest hit of all. In past years, aviation gasoline, and more recently jet fuel — which is kerosene — were bargain buys. There was an abundant supply at 10 cents or 11 cents a gallon. And then — the OPEC crunch. Unlike the utilities and other industries, the airlines have no alternative fuel, such as coal. The gallon cost of jet fuel has gone from 10 cents just three years ago to 32 cents this year. United's bill for 1976 will approach half a billion dollars. While I'm talking to you United is spending about \$1,000 a minute for fuel. Believe me, this has certainly intensified our training efforts in fuel conservation!

The airlines will have to learn to live with a change in the pace of traffic growth. In the 1960s growth rates were 15 per cent each year.

“In these times of lowered productivity, training is a way to extract more from existing resources . . . And, in these times of great, continuous change, training is an instrument of simple survival!”

Percy Wood

Change Begets Change

“Our corporate survival depends on training, training and more training”

This year and in the years ahead, we're looking at an average growth rate of some five to six per cent. But the base is larger.

Then there is inflation — no new thing, but it has a high impact on United. In 1976 we see:

- Wages and benefits . . . Up 15%
- Fuel Up 23%
- Maintenance materials Up 30%
- Airport usage — Landing fees and facility rentals Up 12%

Training, Training and More Training

Taken all together, the changes I've mentioned have had profound effects on United Air Lines. Our corporate survival depended greatly on training, training and more training. I think it's fair to say that the airlines have become one of the most training-sensitive industries in the nation!

A closer look will illustrate why United and other carriers place great emphasis on training. Really, no airline employee escapes, whether clerk or captain. Several years ago a skycap helped you carry your bags to a check-in counter. Now that person will look at your ticket, verify the destination and check your bags at curbside . . . *training required!*

Our product is perishable. Today, United will close the door on 1,433 departures from 92 airports. Over 175,000 airplane seats and we expect about 58 per cent to be occupied. Almost 74,000 seats will depart empty. We'll never have an opportunity to sell them again. They're gone. We can't rely on a “year-end clearance sale” to recoup dollars spent to offer today's product.

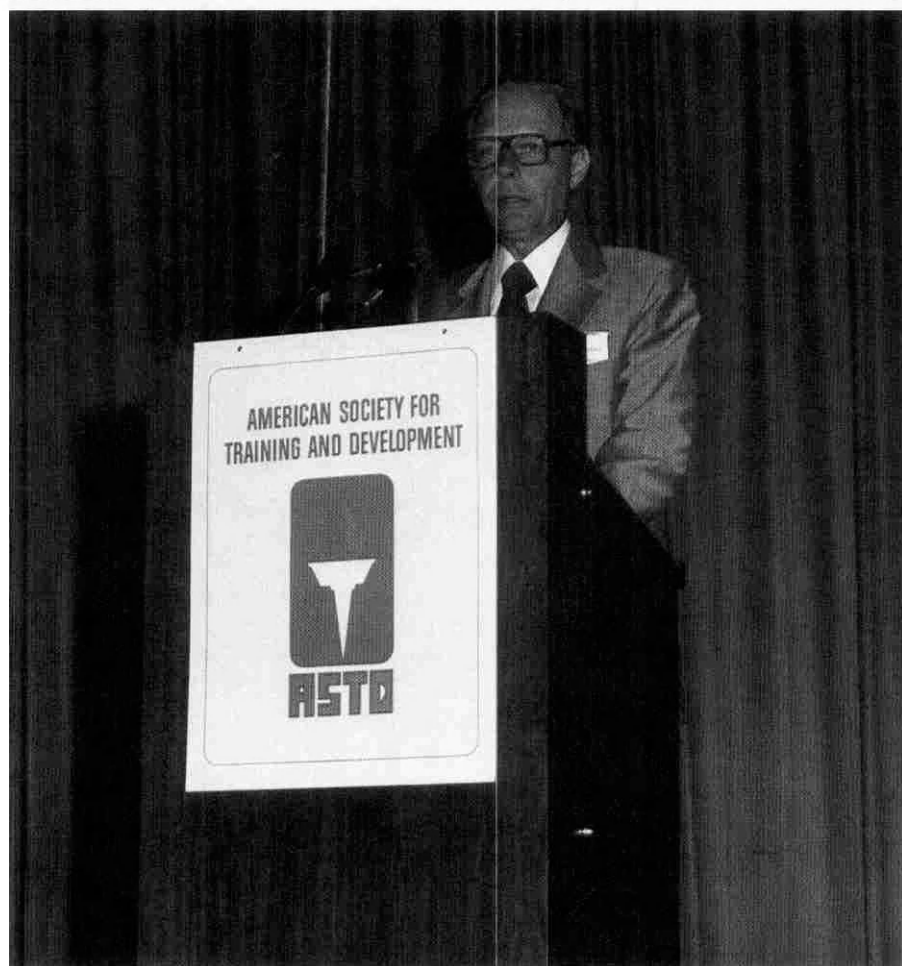
Competition intensifies this precarious position. Our product is similar to that of competitors We have generally the same aircraft — the same prices — similar schedules and similar inflight amenities. What, then, sets us apart and above other airlines in the marketplace? What makes us different and gives us a competitive edge? *People!* All 49,000 of them. To survive, we must provide the training necessary to make the competitive edge a reality.

And this highly perishable, highly competitive product must be safe — in fact, beyond statistically safe. We cannot sit comfortably by and show comparative statistics about work-place safety or the intensive safety requirements of flight-deck crews or mechanics or that our flight attendants receive four and a half

weeks of training and 25 per cent constitutes safety. Safety is a perception and the public will not be satisfied with anything less than perfection.

\$25 Million Training Tool

Last year, 5,000 United pilots received training at our center in Denver. Their salaries and travel expenses, plus the training center staff and operation exceeded \$21 million, and is supported by perhaps the most expensive training aid in industry — a \$25 million aircraft. During the year, 2800 hours of training were conducted in an actual aircraft. An additional 40,000 hours of training were conducted in one of United's 13 flight simulators. A DC-10 simulator costs \$4 million, only 15 per cent of the cost of the actual aircraft. In addition, the air transport industry devotes a lot of training



time to needs imposed by that big government I mentioned earlier.

The airline industry is subject to governmental regulation because of powers Congress has given to the Federal Aviation Administration, the Civil Aeronautics Board and the National Transportation Safety Board. Over the years, the influence of these groups has grown to the point where there is now scarcely any aspect of operations outside of their purview.

The FAA has primary responsibility for safety. Because of the close relationship of training to safety, the FAA is directly involved in our training process. Federal air regulations prescribe the training for flight-crew members, flight attendants and dispatchers. Recently, this has been extended to other ground personnel associated with the movement of hazardous materials. Broad areas of course content are specified, as well as the minimum duration of the training program. Federal inspectors monitor new programs and make suggestions which must generally be heeded before final approval is given. Once approved, the presentation of the course — as approved — has the weight of law. To give you some idea of how exacting this is, several years ago we were fined \$1,000 because an instructor, for personal reasons, cut a class short by a couple of hours.

Security Training

About three years ago, we had to implement 100 per cent screening of passengers and their carry-on baggage. Each person involved in predeparture security screening had to be trained. It's interesting to note that the public perceives security screening as an extension of our company boarding process, so we must strive for courteous and efficient service, as well as the skill to read X-ray screens and conduct personal searches. Governmental controls and the attendant bureaucratic procedures have

become a way of life in airline training.

Overall, air transportation is a constantly shifting industry in which a major ingredient of survival has been training, and a major ingredient in its continued survival and profitability, growth, and efficiency will be training.

When the industry began 50 years ago, a large part of America was still in the "horse-and-buggy" era. Life was simpler, aircraft were rudimentary and training needs were minimal. I don't know of another industry that has gone through such extensive technological change in such a short period. Our progress to United's present position as the largest airline in the

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free world is directly related to training programs geared to constant change and new technology.

10 Training Goals

To meet current demands of change, we have 10 goals for our corporate training activities. They range from the need for a clearly stated policy on training, to systematic methods for assessing job performance and the effectiveness of training in improving performance (see Figure 1).

One of these goals is the maintenance of a core professional unit responsible for the regular review of all training personnel, technology, and media to keep United current with the rapidly developing field of training.

To maintain a high level of effectiveness, we must have personnel who keep current with such developments, determine their application to United's requirements, and extend them to other training personnel throughout the system. This core group must have sufficient status and permanence to attract a high level of professionals. Its place in the organizational structure is such that its services and assistance can be used companywide. It must be more than a research and development unit; it is in a position to encourage both management and other training personnel to update their practices for greater effectiveness.

Line managers are well aware that their basic responsibility is to run the operation and they also know that they are evaluated against the bottom line. They will use training if they see a near-term payoff, but they are reluctant to put venture money into training research and development.

Computer Training

The core group dedicated to training has a different set of goals. One of the great technological changes in this last half century has been the computer and United has one of the largest and most sophisticated systems outside the military. Our core training group started researching programmed instruction methodology over 15 years ago. They have been able to evolve a sophisticated computer-assisted instruction system, including a system for individual student responses. United has more than 3,400 computer terminals at various locations throughout the country which frequently double as learning centers.

Line managers who would hesitate on research and development investment are eager to take advantage of its benefits when they can see the cost savings of training employees at their own stations

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Change Begets Change

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without traveling to a central point . . . training, which can be done individually, incrementally and during slow periods.

A recent computer application is known as "TABS", an acronym for "Total Apollo Baggage System." Last year, United delivered more than 42 million pieces of baggage promptly and efficiently. That's a good example of a useless statistic. Our customers and us are more concerned with one per cent of our baggage — the 400,000 pieces which were misrouted. TABS will ferret out misrouted baggage faster and more precisely than any other system in existence. All public contact agents are in the process of learning "TABS" through a

15 to 20 minute computer-assisted instruction course.

Another goal is that we must have clear and precise procedures which budget, account for, and report the cost of all training. Why?

- It helps decision-makers to determine the true cost of certain procedural changes requiring training;

- It encourages both management and training personnel to plan more carefully and to assess both the costs of training *vs.* not training;

- It discourages "overtraining" and spurs the search for increasingly effective training methods and media;

- It emphasizes the practical importance of training.

Line managers are responsible for this total operation and must be responsible for the training of their

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people; and I have yet to meet a top-line manager who will turn down a valid idea to make his or her operation more efficient — or less costly. But, I have seen many managers turn down training proposals because the training people couldn't demonstrate how some program would help.

Need for Supervisory Training

The last of the 10 goals I want to discuss is that we must have managers and supervisors who understand, accept, and know how to fulfill their basic responsibility to train subordinates.

This goal highlights the greatest training need I see in our company today. Two years ago, we conducted an attitude survey of over 6,000 public contact employees. The most significant finding of that survey was the real need to train first-level supervisors.

Our supervisors seemed unaware of the strong influence they have on the attitudes and behavior of subordinates. The first-line supervisors recognize and acknowledge their responsibilities for "breaking-in" newly hired employees. This is a common and somewhat formal training activity which most supervisors plan and carry out with a clear awareness of what they are doing and why. Sometimes these same supervisors

Figure 1.

GOALS WE STRIVE FOR IN TRAINING

1. A clearly formulated corporate training policy which is understood throughout the system.
2. Managers and supervisors who understand, accept, and know how to fulfill their basic responsibility to train subordinates.
3. An approach to training which begins with clearly identified needs and ends with the measurable achievement of practical training objectives.
4. A clearly understood procedure which budgets, accounts for, and reports the cost of all training.
5. Systematic methods for assessing job performance and the effectiveness of training in improving that performance.
6. An organizational climate that encourages, recognizes and rewards interdepartmental planning and implementation of training programs.
7. Maintenance of a core professional unit responsible for the regular review of all training personnel, technology, and media to keep United current with the rapidly developing field of training.
8. Organizational mechanisms and procedures for effective interdepartmental planning of training programs and use of specialized training capabilities.
9. A system of recognition and rewards which attracts competent personnel to training positions and encourages them to develop their capability for a professional training career.
10. The early involvement of training personnel in planning those changes which have training implications.

overlook their personal impact on the growth and development of subordinates.

Following the analysis of our survey results, we developed a two-phase course for new supervisors. The program was tested last fall and by mid-1977 most of our supervisors will have attended. From then on it will be a requirement within the first 90 days for new supervisors.

The first phase concerns the nuts and bolts of the job and uses self-study methodology. The second phase is centralized at our corporate headquarters training center in Chicago. Phase one tends toward specifics and details, but phase two is at the other end. It deals with some fundamental management principles and their application — and also covers the role of supervisors in their use of the human, physical and fiscal resources available to them.

We also take this opportunity to discuss the basic elements of our free enterprise system, principles of economics and the need for productivity and profitability. Yes, all of our employees must understand productivity and profitability. Profit must not be a dirty word.

Management Succession Planning

Another facet of this goal which has demanded considerable effort is management succession planning. In a business as volatile as ours, we knew we could not be content to wait for the natural buoyancy of the high potential people in the ranks to bring them to the surface. Nor could we be confident that our future managerial needs could be satisfied by the supply of the open market. United adheres to a policy of promotion from within — not exclusively — but primarily. With a population of 49,000 employees and a business that can still attract highly qualified people even at entry-level positions, promotion from within

makes a lot of sense.

Early efforts at succession planning were concentrated on higher levels of management and consisted of little more than identifying "comers" and making sure they were on career paths that would afford a proper mixture of managerial experience. It didn't take us long to realize that the demands of our expanding business absorbed qualified people faster than we could identify them. For the past three years, United has had a turnover rate of 25 per cent in positions of department level and higher.

In response to this demand, we pushed our succession planning further into the organization . . . down to the third and fourth levels

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of management . . . to insure that United's future leaders are receiving the earliest possible opportunity for identification and development. This, along with increased emphasis on supervisory training, should satisfy our needs for future leadership.

At the beginning, I mentioned four major areas of increased expense which cannot be controlled. We are carrying more passengers, but costs are growing much faster than revenues. The four largest airlines which carry two-thirds of the total industry traffic, all reported losses in 1975.

There's a tendency to eliminate training costs in hard times and to do excessive training in better

times. This fluctuation is confusing to employees and managers alike. They should understand that good training is good when needed, and bad is bad — regardless of the times. The specific needs or areas of concentration may change, but an employee's needs to learn and grow do not change. A quality product depends upon quality people, and hard times are when you need the highest quality people.

Employee training should neither be regarded as an incidental activity nor an item in the near-fringe category which can be readily trimmed away when budget reductions are necessary. In these times of lowered productivity, training is a way to extract more from existing resources. And in these times of great, continuous change, training is an instrument of simple survival. **USEBTD**

Percy A. Wood, executive vice president and chief operating officer, joined United Air Lines in 1941 as an instructor at the Boeing School of Aeronautics which United at one time operated in Oakland, Calif. He became staff assistant in United's engineering department at San Francisco in 1947 and two years later was named the airline's factory representative at the Santa Monica, Calif., plant of Douglas Aircraft Co. He was promoted to manager of engineering planning at United's San Francisco Maintenance Base in 1954 and became assistant vice president of engineering and maintenance three years later. In 1961 he was named vice president-base maintenance. Wood moved to Chicago in 1968 to become vice president-employee relations at the company's headquarters. In 1969, he assumed the position of senior vice president and general manager eastern division. He was named group vice president-operations services in December, 1973 and to his present post on January 1, 1975. His present memberships include the Wings Club of New York, the International Club of Washington, D.C., and the Society of Automotive Engineers. He is a past member of the Airline Industrial Relations Conference, which he helped to establish.