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Generational Turbulence at Pioneer Airlines

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Introduction

“PIONEER RESPONSE ‘UP IN THE AIR’ AFTER IN-FLIGHT INCIDENT INVOLVING ATTENDANTS”

This was the headline from a major national media outlet the day after a verbal confrontation involving two Pioneer flight attendants shortly after departure on a Monday morning flight from Nashville, Tennessee, to Daytona Beach, Florida. What began as a routine flight changed dramatically twenty minutes after takeoff. Multiple passengers on the flight filmed the altercation with their phones and posted it to their social media accounts, causing a viral reaction throughout the remainder of the day. Pioneer’s response from its vice president of communications offered little detail as to why this may have happened and what actions the airline might take, only stating that an investigation would ensue immediately.

BACKGROUND

Pioneer Airlines, based out of Jacksonville, was founded in 2005 by a partnership formed by retired pilots and airline administrators who had all worked for major airlines throughout their careers. Operations officially began less than a year later under the leadership of Robert Milligan, who has been Pioneer’s only CEO in its brief history. Pioneer’s concept from the start was to capitalize on the financial challenges many airlines have faced in the post-Sept. 11 era by offering a value-based, customer-friendly experience.

Today’s airline industry is highly competitive and is becoming even more so as new airlines enter the market and existing airlines expand their capacities. Concern has grown recently among industry investors over decreasing fare costs associated with the corresponding recent drop in fuel prices. Decreasing fuel prices, in turn, lower operating expenses for airlines and at the same time leave the average consumer with more spending money in his/her pocket for luxuries such as travel. It is especially important in this environment for airlines to retain pricing power to keep revenue growth from stalling.

The vision of Pioneer's founders was to offer business travelers and vacationers from smaller cities in the southeastern United States the opportunity to fly directly to popular destinations including Myrtle Beach and Hilton Head in South Carolina, and Daytona Beach and Orlando in Florida. Milligan's focus was to build a sustainable, reputable company through operational efficiency while still providing a highly satisfying experience for passengers.

Pioneer believes that a positive customer experience does not begin and end on an airplane. The airline prides itself on exceeding customer expectations from the time passengers book their travel to long after their flight has landed. While marketing plays an important role in attracting passengers to its flights, Pioneer has always wanted to offer their customers an experience that will benefit the company through positive word-of-mouth advertising. Pioneer also knows it is not the only carrier that offers regional service to popular southeastern destinations.

With a fleet of forty planes, Pioneer has seven operating bases including Asheville, North Carolina, St. Petersburg/Clearwater, Fort Lauderdale and Jacksonville in Florida, Nashville, Tennessee, Baton Rouge, Louisiana, and Lexington, Kentucky. In addition, they have successfully leveraged partnerships with hotel, rental car and entertainment companies, and have strategic relationships with regional beverage suppliers to enhance their revenue model.

“The Pioneer Advantage”

The Generation Gap

Pioneer has grown from approximately 200 full- and part-time employees when it was founded to nearly 1,600 full- and part-time employees today. Despite the value it places on the customer’s experience, many current and former employees have expressed frustration about their employer because they feel their own experience has not been a focus for Pioneer. Employee turnover has not been a significant concern of management; they would characterize it as “healthy.” Furthermore, employee morale issues have not significantly affected customer satisfaction according to customer satisfaction survey results. Pioneer touts a family-like atmosphere in its recruiting efforts, promoting itself as a regional carrier immune to the bureaucracy of larger airlines. In fact, Pioneer relies on a significant portion of its talent coming from major carriers who are looking for a less hectic work environment.

Pioneer believed having an overall experienced workforce was a strategic advantage. The downside to this model, though, was the impact on operating expenses due to higher employee salaries and benefits. Three years ago Pioneer ended its fiscal year with a total operating revenue 8 percent less than the previous year. While this was partly attributed to the purchase of new planes and the implementation of a more robust customer relationship system including an enhanced website and phone apps, management realized that employee costs were unsustainable. As a result, Pioneer offered its first and only early retirement program (ERP) to eligible employees. Approximately 25 percent of eligible employees signed the agreement, the largest percentage of whom were flight attendants. Pioneer then initiated an intense recruiting effort for entry-level employees, including flight attendants, with little to no experience to keep labor costs down. There was little communication about this strategy to employees.

Although the lack of experience could have had a significant impact on operations, Pioneer designed flight schedules to pair entry-level attendants with experienced co-workers. In theory, this model could benefit any service-based organization wishing to capitalize on their talent’s knowledge. Pioneer, however, experienced a significant amount of employee conflict in the last year in all operational areas, experiencing a 20 percent increase in employee complaints. Supervisors also reported that there was often tension during team meetings. Many employees, then, were not surprised to hear what took place aboard Flight 7884.

Flight 7884—The Flight Attendants

Cheri Rossi, 58, originally from New York City, has proudly worked in the airline industry for more than 25 years. Her great grandparents emigrated from Italy in the late 1800s, and they emphasized and modeled to Rossi in her formative years the values of having a strong work ethic and loyalty. She spent most of her career as a flight attendant working for two of the largest carriers in the United States. Her previous position before coming to Pioneer was as a flight attendant supervisor, a role in which most thought her effective. She took a pragmatic approach to supervision that included the mottos “do your work,” “work hard” and “serve.” Her employees appreciated her work ethic, most of whom were similar in age and seasoned in their positions.

Four years ago, her husband accepted a promotion at his financial firm that required the family to relocate to Nashville. They have three children, with their youngest daughter now completing her senior year in college. Although she took a pay cut to move to Pioneer, it was worth it because she works four consecutive days and then is off for 10 consecutive days. This schedule allows her to attend her oldest daughter’s volleyball games and to volunteer at her church. By all indications, her transition to Pioneer has been smooth despite the contrast in working environments. She is respected by her colleagues and managers as a hardworking professional who brings valuable experience to the newer airline. Rossi is not one to boast about her accomplishments. She appreciates words of appreciation “behind the scenes” but really doesn’t feel comfortable with public displays of appreciation. Despite her exceptional performance, some note that she expects perfection from herself and others, and this has been a source of tension at times. To date, though, she has not had direct conflict with any of her co-workers.

Rossi’s colleague for Flight 7884 was Linley Stockdale. Stockdale, 24, is single and graduated two years ago with a bachelor’s degree in communications from the University of Florida. Her dad’s military career has influenced her mindset; they moved frequently when she was a child. As a result, the values of adaptability and flexibility were emphasized as an asset in their nuclear family. Stockdale was a volleyball player in high school and college, and this has been a conversation source for the two flight attendants. Stockdale is motivated by accolades and public recognition. It’s something she has grown accustomed to and without it, feels like she might be disappointing others.

She worked for Telecom, Inc. immediately after college in a sales position that allowed her significant freedom and flexibility. She managed her own sales schedule, which gave her the ability to exercise in the mornings and to meet up with friends after work. The position also provided immediate gratification because sales were paid based on performance. Since her co-workers were all similar in age, this made the work environment fun and vibrant, according to Stockdale. After less than two years, though, she realized she wanted to travel as much as she could, and the most affordable way to do that was by working for an airline. She also considered the possibility of eventually moving to a communications role in the company. While Pioneer was on the lower end of the pay continuum for flight attendants, it allowed her to be based out of Nashville, closer to her family and friends.

When Stockdale accepted the position, she knew it was not going to be a long-term career move. She has worked with Pioneer now for six months. While the schedule and work environment has been a hard adjustment for her, she is happy to be close to home while enjoying the perks of unlimited travel. Stockdale, along with the other new flight attendants in her class, felt welcome during their onboarding experience at headquarters. However, many of them have expressed a lack of support from the experienced attendants since transitioning from the classroom to their flights. Stockdale, in particular, really enjoys interacting with passengers but finds the behavior of some flight attendants to be demeaning. She has tried to focus on her work, but has questioned whether she has made the right decision in joining Pioneer.

Rossi has admitted to being frustrated with a few of the new flight attendants. She has said to more experienced attendants that Pioneer has hired “too many young ones” in a short period. This has concerned her for a number of reasons, including safety. Among all the new flight attendants, Rossi has worked with Stockdale most often. In getting to know her, Rossi understands that Stockdale is extrinsically motivated primarily by the perk of flying at no cost during her free time. Rossi sees the strong rapport Stockdale creates with passengers, which is often overlooked by shortcomings in other areas of her performance. For example, on many occasions, Rossi has to remind Stockdale to complete certain operational procedures and feels that Stockdale does not take the necessary initiative expected of Pioneer flight attendants. In addition, it seems that Stockdale is always looking for “pats on the back” for a job well done. Rossi feels this is indicative of her age and believes she should do a good job because, after all, the company hired her to do just that.

Two months earlier Rossi spoke with her immediate supervisor, Heather Phillips, about another topic when she was asked how the new flight attendants were performing. Rossi hesitated, fearing an overreaction could do more harm than good. “Really, they are fine,” she said. “But I just don’t see the attention to detail that is needed in the position.” She then shifted her focus specifically to Stockdale. “Linley Stockdale comes to mind. She gets along great with passengers, but there is more to being a flight attendant than entertaining your audience. She also is always looking for praise from me, from the passengers, really anyone.” She continued, “How do you praise someone who doesn’t do her job?” Phillips told Rossi that she would have a talk with Stockdale and planned to be on more flights with new hires in the coming weeks. Since that time, however, Rossi has not seen Phillips on a single flight, and she continues to see Stockdale not grasping what Rossi feels are basic concepts. Sensing little to no change in Stockdale’s behavior since her conversation with Phillips has only added to Rossi’s frustration.

FLIGHT 7884—“FASTEN YOUR SEAT BELTS”

On the day of the incident, Flight 7884 was delayed nearly 45 minutes due to a minor mechanical error, causing tension among passengers eagerly waiting to depart for their Daytona Beach destination. What was initially thought to be a ten-minute procedure took significantly more time. Many passengers were frustrated because they felt they were not receiving enough updates from the flight crew. This frustration was aimed at the attendants; however, Rossi, the more experienced of the two attendants, felt she was bearing the brunt of the discontent.

After fielding a number of inquiries from frustrated passengers, Rossi walked to the front of the plane to begin the flight’s beverage service. As she approached the area, she noticed that Stockdale was sitting in her seat viewing pictures on her phone. “What are you doing?!” yelled Rossi in a voice that most of the eighty passengers aboard the plane could hear. Feeling shocked and somewhat threatened, Stockdale responded in a similar tone, “Excuse me?!” Rossi paused momentarily, sensing the awkwardness that the entire plane of passengers was waiting to hear what was about to come next. “I will make sure this is the last flight that I work with you! In fact, you will be lucky to work another flight! People have had it with you and your sense of entitlement!”

Still in a state of shock about what had already transpired but not one to back down, Stockdale rose from her seat and approached Rossi until they were only inches from one another. She shouted, “What gives you the right to yell at me and say I’m entitled?” Pointing her finger in Rossi’s face, she continued, “You are a miserable person. You don’t even know how to enjoy yourself in your job!”

To the relief of most of the passengers, one of the pilots emerged from the cockpit to separate the two attendants. He quietly said something intended for both Rossi and Stockdale to hear before returning to his position. Shortly afterward, a voice over the intercom said, “Folks, we apologize that you had to witness this disagreement among two of our finest flight attendants.” Most sensed the pilot’s motivation to salvage some of the crew’s credibility amid an unbelievably embarrassing situation. He then attempted a layer of humor saying, “As you well know, flying can get incredibly tense. I think I will radio in a mandatory week-long vacation for our two attendants when we land in Daytona Beach.” He continued, “Separately, of course.” This drew laughter from several passengers. “Sit back and enjoy the rest of the flight. We will update you soon on an estimated arrival time in Daytona Beach.”

The damage was done, but more was soon to follow. Multiple passengers had videotaped the incident and within minutes, it was uploaded to Facebook. One video from a passenger seated in the second row went viral, which caused Pioneer to have to respond publicly about the incident.

THE FALLOUT IN JACKSONVILLE

Within a few hours of the plane landing, Camille Sorensen, vice president of communications for Pioneer, was informed by her social media manager that the video was circulating on numerous social media outlets. Sorensen, in complete damage control mode, knew it was only a matter of time until the video would be broadcast by local and national news channels.

Milligan, who was in Miami on business, was told about the incident by Sorensen while he was attending a meeting with a potential partner. Milligan asked his assistant to set up a conference call with his senior staff in the next 15 minutes to discuss the incident and its potential implications. He also wanted Tamara Daniels, director of human resources, to attend the call despite not being a part of his senior staff. Daniels was recently promoted after working at Pioneer as an HR manager for the past four years. She reports to Tom Blake, chief financial officer.

The human resource strategy at Pioneer Airlines has been focused during the last several years on recruitment with little emphasis on retention or employee development. Training has been limited primarily to new employee orientation and a leadership development program that was recently piloted at Milligan's request.

Milligan leads through actions and not words. From the start of the conference call, Milligan said very little, as they talked about solutions to address the issue as quickly as possible. After about 15 minutes of discussion led by Sorenson about Pioneer's messaging to its constituents, the focus shifted on how the incident occurred in the first place. Milligan said, "I'm not looking to point fingers, especially not now, because there are more important things to deal with at the current moment." "But I can never recall in all my time in the airline industry of two flight attendants having a verbal altercation to this magnitude, especially midair in front of passengers," he continued. "How does something like this happen?"

The question was not directed at anyone in particular, but Milligan waited for a response from someone. Daniels felt the need to respond after looking around the room at her silenced colleagues. As she was about to speak, Blake said, "Rest assured, we will get to the bottom of this. Tamara's team will launch an investigation to determine how something like this happened." Pausing momentarily, he continued, "Clearly we have not invested enough time in developing our employees. If we did, this wouldn't have happened." Daniels was startled by her supervisor's last remark, sensing her team had been made the scapegoat for the incident.

When Blake looked to Daniels for her to offer any additional insight, and in an attempt to hide her frustration, Daniels only added, "As Tom said, we will begin a thorough investigation of the incident and keep senior staff updated as events unfold." In addition to the investigation, Daniels knew she and her team would need to recommend solutions that would offer confidence to Pioneer's senior staff.

Undergraduate Q&A

- 1. Identify the generations that are represented in today's workforce and the characteristics that make each unique from one another. How might generational differences lead to conflict in the workplace?**
- 2. Describe the challenges organizations face with having multiple generations represented in the workforce. Are there other factors that might be considered in addition to diversity of generations?**
- 3. Human resources will conduct a thorough investigation of the incident. Assuming the role of Tamara Daniels, what specific initiatives would you suggest implementing that focus on integrating employees from multiple generations if the investigation reveals that the conflict is due to generational differences?**

Graduate Q&A

- 1. Knowing the facts in this case, describe the steps human resources should take to conduct an investigation of the incident.**
- 2. Create a Code of Conduct for Pioneer Airlines that includes an emphasis on multiple generations in the workplace.**
- 3. Design an HR strategy that proactively supports the overall business strategy addressed in the case while focusing on talent integration at Pioneer Airlines. In your opinion, how much of the HR strategy should focus on generational differences? Please support your response.**

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