Airline Downsizing:  
A Critical Analysis of Post-9/11 Leadership  
By  
Amy L. Fraher  
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ABSTRACT  
Although research examining leadership and teamwork in high-risk fields and extreme contexts has been growing, few studies consider managerial decisions and the resultant organizational climate within which these teams must operate. Adopting a critical theory approach, this study questions the wisdom of accepting managerial decisions as altruistic, unbiased, and always in the best interest of frontline teams’ operational performance. The article draws on an ethnographic study of one hundred and twenty seven airline pilots in order to examine the impact of corporate downsizing on pilots’ attitudes, work ethic, and trust. The findings evaluate four theoretical claims documenting that without proactive leadership, team performance and air safety will likely suffer. 

Keywords: downsizing, layoffs, critical theory, job loss, airlines

INTRODUCTION  
Interest in examining leadership in high-risk fields has been growing with a particular focus on identifying the dynamics of good teamwork (Fraher, 2011; Hannah, Uhl-Bien, Avolio, and Cavarretta, 2009). Research has been conducted in areas such as medicine (Edmundson, 2003; Edmundson, Bohmer, and Pisano, 2004), aviation (McKinney, Barker, Davis, and Smith, 2005), military (Fraher, forthcoming(a); Snook, 2000; Weicke and Sutcliffe, 2001), firefighting (Weick, 1993; 1995), law enforcement (Fraher, 2011), off shore oil (Flin, 1995; 1997), railroads (Roth, Multer, and Raslear, 2006), and nuclear power (O’Hara and Roth, 2006).  
The broad aim of these studies was to examine past leadership failures as a way to improve future team performance. Several unique factors affecting team
performance—determined both by the nature of high-risk teams’ risky tasks and their hazardous operating environments—were identified. These included time urgency, peer pressure, exposure to personal risk, professional competitiveness, interpersonal conflicts, reputation management, and living with the weighty repercussions of one’s decisions. Such factors often combine in complex, unpredictable ways to make decision-making in high-risk teams a stressful activity (Fraher, 2005a).

As a result of these studies, in addition to technical training, individuals working in high-risk fields now often receive instruction on leadership, communication, teambuilding, group dynamics, human factors, sense-making, stress management, assertiveness, decision-making, and role management. The goal is to flatten team hierarchies that can stifle information exchange, improve team performance through better role management, and reduce misunderstandings that can lead to mistakes (Fraher, 2005b).

Yet, what researchers do not often examine is how managerial influences and the resultant organizational environment in which these front-line teams must operate can also affect team performance. In nearly all cases, researchers seem to assume that managerial decisions are fair, altruistic, unbiased, and always aim to optimize teams’ operational performance. In contrast, this critical theory study questions the wisdom of this assumption by assessing the potential impact of corporate downsizing on aircrew at US commercial airlines in the post-September 11th 2001 (9/11) period.

In the decade following 9/11, nearly every major US airline declared bankruptcy and over 150,000 airline employees lost their jobs including over 14,000 pilots at the seven major US air carriers, a 29% reduction in force. Although some employees took
early retirement or left on their own accord, most of these workers were furloughed, or laid-off, with the right to be recalled to work when, and if, the company needs them again.

In the case of one particular airline studied here, the pilot workgroup was reduced by 5,697, or 51%, in the decade following 9/11. Of this, 1,427 pilots were furloughed twice. These ‘double-furloughees’ accounted for almost 13 percent of the companies pre-9/11 pilot group (Bureau of Transportation Statistics, 2010). The question investigated here is what are some of the repercussions of this drastic downsizing?

THEORETICAL FRAMEWORK
This article is intended to contribute to the literature in three fields of leadership study which do not typically cross paths: 1) organizational research studying the effects of corporate downsizing; 2) leadership scholarship examining high-risk team performance; and 3) critical theory studies questioning the power, politics, and motivations behind executive decision making. The first examines studies addressing the psychological impact of employee job loss, the second considers the literature identifying key elements of successful team operations in extreme contexts, and the third questions the wisdom of accepting the principles of management as self-evident or unproblematic, including managers’ singular pursuit of profits above all else. Insights from these fields provide a lens by which to evaluate post-9/11 managerial decision-making in one high-risk field, aviation, with implications for leadership in other fields of risky work.

Until recently managers in high-risk fields typically have been depicted as rational actors, making decisions for the organization’s greater good, aiming to improve frontline
team performance. From this perspective, “management is considered to be a socially valuable technical function, normally acting in the general interest of workers, employers, customers and citizens alike” (Alvesson and Willmott, 1992: 1). The assumption has been that airline managers’ fixation on profit-seeking has been warranted particularly in the challenging post-9/11 market. However, Zald (2002) observed that in risky professions critical theory could have its greatest potential impact. Because these fields “are situated in a larger systemic context” that is “shaped by explicit mechanisms of power and doxa,” they share a focus on how “professional norms and institutions regulate, discipline, and shape interaction and behavior in their respective domains” (377).

To consider this organizational dynamic further, Foucault’s (1980) concepts of the “body”, “power”, and “subjugated knowledges” are helpful. It is not by chance that the term ‘double-furloughee’ was applied to the pilot group most directly affected by managerial decisions to downsize in the post-9/11 period. The term is intended to conjure up images of wounded soldiers returning home from war in Iraq or Afghanistan as double-amputees without arms or legs, forever changed by their battle experience. Although these downsized pilots’ bodies were not physically injured by their experience, they still were psychologically and emotionally affected by what Foucault called an “unspoken warfare” of “economic inequalities” present in “language”, “institutions” and “in the bodies themselves of each and every one of us” (90).

The power pendulum has swung too far in favor of the primacy of economic concerns. An economic war seems to be occurring within the aviation industry in the post-9/11 period as managerial short-term profit-seeking has been allowed to trump
long-term safety concerns with little regulatory oversight. One way to redress this power imbalance, Foucault argued, is to recognize the power of “subjugated knowledges”, those bodies of knowledge which have been “disqualified as inadequate”, “naïve”, “unqualified”, “low-ranking”, or unscientific (82). Through the resurgence of this disqualified knowledge, Foucault argued, “criticism performs its work” (82). In terms of the current case study, until the substance of these subjugated knowledges held by disenfranchised, suspicious, and mistrusting employees can be brought more into focus, questions about frontline team performance and air safety will remain in the shadows.

The Need
Although studies examining leadership and teamwork in “extreme contexts” have been growing, this remains “one of the least researched areas in the leadership field” (Hannah, et al, 2009: 897-8). Teams do not operate in a vacuum. We need further research on organizational cultural, managerial decision-making, and financial influences such as bankruptcy, downsizing, and other forms of cost-cutting to understand the impact of external influences and the environment on team performance.

Although several recent studies have examined high-risk team operations, few have addressed cultural, managerial, and external influences. For example, Hannah et al (2009) outlined a five component typology for teams in extreme contexts considering the threat, timeline, proximity, probability, and magnitude of consequences as key for an adaptive leadership response. Yet, their research ignored the impact of managerial decisions on frontline team performance assuming teams received unwavering organizational support in times of crisis. It remains a common assumption.
Sexton, Thomas and Helmreich (2000) studied error, stress, and teamwork in medicine and aviation, comparing attitudes of aircrews and medical professionals towards job performance, decision-making, fatigue, and communication. They found medical professionals were more likely to deny mistakes and the effect of fatigue, and least likely to accept input from junior staff. Although the study observed “research in safety critical industries tells us that to overcome this problem we must understand the system,” they nonetheless did not report investigating systemic influences such as organizational culture, fiscal factors, or managerial support.

Similarly, Makary, Sexton, Freischlag, Holzmueller, Millman, Rowen, and Pronovost (2006) studied operating room teams in sixty hospitals, identifying considerable discrepancies between perceptions of good teamwork amongst medical professional groups. For instance, surgeons rated other surgeons’ teamwork highly 85% of the time. Yet, nurses only rated surgeons highly 48% of the time. The study noted that the tradition of hierarchy in medicine and differences in communication, expectations, and techniques rooted in professional cultures might have been influential. Yet, it stops short of examining organizational or managerial influences that may reinforce these disparities.

Flin (1997) began studying offshore oil installations in the early 1990s and created training modules based, in part, on findings from aviation studies. Modules initially consisted of decision-making, communication, assertiveness, and stress management. Over time her research identified other critical elements such as team roles, group problem-solving, shared mental models, and team attitudes. Although Flin noted individual attitudes were predictors of behavior, the study stopped short of
investigating how managerial behaviors and external influences can affect employee attitudes and team member performance.

Similarly, O’Hara and Roth (2006) investigated nuclear power plant operations, calling it a domain that depends upon the coordinated activity of multi-person teams. They found in the best performing teams “members have clearly defined roles,” yet “they nevertheless fluidly support each other and back each other up” (140). To accomplish this sophisticated level of teamwork, the study emphasized the importance of openness and trust in teams, and developing and sustaining a shared understanding of the current operational state, goals, and procedures. Yet, once again, researchers failed to consider the impact of external systemic influences on team performance.

Only one study was found to specifically consider the impact of outside factors. Edmondson, Bohmer, and Pisano (2001) studied sixteen cardiac surgery teams’ ability to adapt to the use of new technology in the operating room. In addition to observing team performance, the study considered team leader prestige, the educational background and experience of team members, and support, or lack thereof, from high-level management for the new medical procedures. Yet, researchers ultimately dismissed these systemic factors as inconsequential, focusing instead on individual team performance. They found, “teams whose members felt comfortable making suggestions, trying things that might not work, pointing out potential problems, and admitting mistakes were more successful” (131). Yet, their own study suggests how further research into how these open, trusting, and experimental environments can be fostered and sustained is warranted, particularly for high-risk teams operating in organizations facing financial challenges.
Research Design
Taking up the challenge to consider organizational cultural, managerial decision-making, and financial influences on team performance, this study examines the post-9/11 US airline industry in terms of four theoretical claims:

Theoretical Claim #1 (TC1): Organizational downsizing diminishes employee trust, morale, and organizational commitment, while increasing distractions, stress, suspicion, and selfishness.

Theoretical Claim #2 (TC2): When organizations have previously committed to quality management programs as a central tenet, managerial efforts to eliminate negativity post-downsizing appear hypocritical, further stimulating employee resentment, mistrust, and suspicion.

Theoretical Claim #3 (TC3): Employees furloughed twice may suffer “post-downsizing stress syndrome” which can affect their health, personal life, and attitude towards work, fostering a sense of desperation.

Theoretical Claim #4 (TC4): Airline downsizing, and the resultant psychological fallout, may generate a “predictable surprise”.

To investigate these theoretical claims, this study draws on primary data from semi-structured interviews and surveys, as well as a wide range of secondary data such as Congressional hearings, Government Accounting Office (GAO), Federal Aviation Administration (FAA) and National Transportation Safety Board (NTSB) reports, and books, journal articles, online resources, and newspapers.

Informants (N=127) replied to an online labor union forum inviting them to complete a web-based survey investigating their opinions about the aviation industry. The survey asked ten aviation work-related questions, ten Likert scaled safety-related questions, and five open-ended questions. The last survey question asked respondents to provide an email address if they were willing to participate in a follow-on telephone
interview. Seventy two pilots (57%) volunteered to be interviewed, of those, thirty three (26%) completed a semi-structured interview.

Participants

The majority of study participants were civilian trained, middle-aged male pilots from major US airlines with a significant amount of flight time, who were involuntarily furloughed after 2001. Informants (N=127) ranged in age from 32 to 63 years old, with the majority (52%) being between 40 and 47 years of age. They were predominately male (96%), and averaged 23 years of total aviation experience, 13.5 years flying at a major commercial airline with an average of 10,271 flight hours. Thirty-five percent of the respondents were still actively employed at their airline at the time of the interview, 51% had been involuntarily furloughed, and 14% had left voluntarily. Forty-three percent had served in the military; 50% of those had been military pilots.

Forty-five percent of the interviewed group had been furloughed twice from one particular airline, (N=15) and ten of these double-furloughees agreed to be interviewed a second time. The average age of this subgroup was 43.5 years old, and they were predominantly male (90%) and civilian trained (90%) with an average of 21.2 years of total aviation experience, 12 years flying at a commercial airline, and 9,044 flight hours. Eighty percent were married with children and had a bachelor's degree, and twenty percent had a master's degree, making the double-furloughee participants well educated, highly trained aviation professionals. Caught in a cycle of downsizing in the decade following 9/11, they had a significant amount of flight time and commercial airline employment experience, and were in their peak earning years with major family obligations.
Limitations

Although the study included pilots from most major US air carriers, a significant proportion of study volunteers (87%) were employed by a single carrier. This is perhaps because this airline had furloughed the most employees in the post-9/11 period thereby providing pilots with both the time and motivation to participate. Participants self-selected to be involved in this study, making the research sample non-random. The sample is not large enough to make statistically significant generalizations to the entire US commercial airline pilot population. Nonetheless, the study provides significant material from which we can derive data and insights about personal experiences of working in the post-9/11 airline industry, providing an important benchmark investigation for further study of the impact of environmental and managerial factors on aviation team performance.

In addition to these design limitations, critical theory has been criticized for a lack of strategic application, an abundance of cynical rhetoric (Spicer, Alvesson and Karreman, 2009; Prasad and Mills, 2010), and a pre-occupation with “well-rehearsed arguments between post-Marxists realists and Foucauldian relativists” rather than attempting to bring about real social change (Rasmussen, unpublished: 1). Grey and Sinclair (2006) observed that jargon-ridden language, pretentious tones, and overly complicated arguments focusing on esoteric concerns have often made critical theory studies ineffectual at engaging even its own scholars and students, let alone the business world. This essay aims to help change that image by applying critical theory premises to the downsizing of US airlines in the post-9/11 period.
FINDINGS

Theoretical Claim #1 (TC1): *Organizational downsizing diminishes employee trust, morale, and organizational commitment, while increasing distractions, stress, suspicion, and selfishness.*

Since the recession of the 1980s, downsizing, defined as “the planned elimination of positions or jobs,” (de Vries and Balazs, 1997: 11) has become a favored business strategy for managers in a wide variety of troubled industries and struggling corporations. By eliminating employees, the downsizing company expects to reap both economic benefits, such as lower cost overhead, enhanced productivity, increased earnings, and organizational advantages, such as decreased bureaucracy, faster decision-making, and smoother communication. Some researchers also claimed downsizing fosters organizational goal achievement, increases innovation, and empowers the surviving employees, who are now liberated from the burden of previous hierarchies. Managers believe these changes will make the company more attractive to investors and Wall Street will, in turn, respond favorably. As a result a majority of managers see downsizing as a logical, useful and unavoidable tool, especially in times of crisis (Mone, 1997; Vissert, 2005).

For commercial airlines, in particular, the added benefits of furloughing employees seem to include increased scheduling flexibility, flatter organizational hierarchies, and the ability to retire less efficient aircraft, outsource operations and maintenance, close unproductive employee domiciles, and reduce associated personnel costs such as wages, health insurance, training, and pensions. Since thirty to forty percent of airline costs are employee related, slashing costs by cutting jobs seems a natural solution for air carriers struggling in the hyper-competitive post-9/11 market.
Managers believe the resultant leaner, more flexible corporate infrastructure will allow their airline to respond more nimbly to market changes and increase its attractiveness for acquisition or merger.

In fact, this strategy became so popular in the first decade of the 21st century, eleven US airlines joined forces with varying levels of success: American Airlines acquired Trans World Airways (TWA) in 2001; America West acquired US Airways in 2005; Delta Air Lines merged with Northwest Airlines in 2008; United Airlines merged with Continental Airlines in 2010; and Southwest acquired ATA airlines in 2008 and AirTran in 2010, to name a few of the largest. Nearly all involved some form of downsizing and employee furlough.

So many air carriers considered merging in the post-9/11 period that Congress commissioned a study to review the process and found nothing detrimental about the practice (US GAO, 2008). Yet, what they failed to consider is how airline mergers are stressful for employees who routinely lose money, benefits, control over their schedules—and often even their jobs—with little time to prepare. And, because seniority establishes the order for promotion, aircraft assignment, work schedules and pay, disputes over the integration of seniority lists can be particularly contentious and distracting for employees. Just consider America West and US Airways which, six years after their merger, have yet to fly as one airline due to legal disputes between their respective pilots’ unions over seniority.

Examples of the repercussions of this post-9/11 stress and distraction are readily available. Take for instance the United and Delta jets, transporting a combined 300 passengers, which came within 100 feet of colliding in Fort Lauderdale in 2007; the
Northwest pilots who, out of radio contact for an hour, overflew their Minneapolis
destination by 150 miles with 147 passengers onboard in 2009; and the Delta crew who
in 2009 landed their 767 with 194 passengers on a taxiway at their hub airport, Atlanta-
Hartsfield International, instead of their assigned runway. These types of near-misses
have become commonplace in the post-9/11 period as pilots’ struggle to cope with the
drastic changes that have befallen their profession.

As a result of its ubiquity, the downsizing process has spawned a burgeoning
literature on the pros and cons, and the function and dysfunction, of personnel
reductions (Bozeman 2010; Cascio, 1993; de Vries and Balazs, 1997; Dougherty and
Bowman, 1995; Gabriel, Gray and Goregaokar, 2001; Gittell, Cameron, Lim and Rivas,
2006; Mone, 1997; Shore, 1996; Visser, 2005). Yet, within this literature there is little
agreement about the short- and long-term impact of workforce reduction on
organizations and employees. Several studies found that downsizing actually hindered
economic goal achievement because the anticipated benefits of cost-cutting like higher
profits, lower expense ratios, increased return on investment, and boosted stock prices
failed to materialize. For example, only 46% of downsized companies surveyed actually
cut expenses and over 50% reported productivity stagnated or declined (de Vries and
Balazs, 1997: 12).

In addition, three years after layoffs, the market share prices of downsized
companies averaged 26 percent below the share prices of their competitors (Gittell,
Cameron, Lim and Rivas, 2006: 304). Nor did anticipated organizational goals such as
smoother communications, increased productively, and greater entrepreneurship and
innovation develop (Cascio, 1993; Dougherty and Bowman, 1995; Mone, 1997). And,
perhaps most important for the discussion here, 74% of executives at downsized companies experienced problems with employee morale and trust (de Vries and Balazs, 1997: 12).

Although some studies observed that lay-offs can be beneficial for a few employees who find better jobs and increased employment security, typically organizational downsizing, with its host of accompanying psychological effects, is good neither for the laid-off workers nor the guilt-ridden survivors. A resultant “dirty dozen” of deleterious outcomes have been repeatedly documented including a decline in trust, communication, and commitment, and increase in organizational rigidity, selfishness, and conflicts, to cite a few from the list (Cameron, Kim, and Whetten, 1987).

For many airline employees, the emotional experience of post-9/11 airline life ranged from feelings of loss and abandonment by the organization to betrayal by the labor union. Informants reported feeling “constant turmoil” at work. Employees were “distracted,” “unhappy,” “beat down,” and pushed to the “breaking point.” As a result, there was a “mood change” between employees and airline managers after 9/11 and management became “more of big brother,” looking over workers’ shoulders. Respondents felt this surveillance was “almost punitive and pervaded the whole environment” which “made people even more angry.” One pilot noted “It was almost a relief to find out I was getting furloughed because then I wouldn’t have to deal with that poisonous atmosphere anymore”.

The resultant lack of trust combined with a reported average 56% pay cut to reduce all employees’ psychological investment in their airline but for pilots, who worked
decades to reach this pinnacle of their aviation career, it was particularly acute. As one pilot put it:

Before 9/11, I was always willing to help out the company if they called me and needed a favor. Post-9/11, when I went back [to work from furlough], I was never willing to help out. I felt like I’d been burned by the company, burned by the union. I just wanted to do my job and go home.

Another pilot explained, “Before 9/11 being an airline pilot was a career. After 9/11, it was just a job. There’s a big difference in your frame of mind going to your job verses going to your life long career…I don’t have that pride anymore.” Statements such as these make it clear that organizational downsizing has diminished airline employee trust, morale, and organizational commitment, while correspondingly increasing distractions, stress, suspicion, and selfishness.

Theoretical Claim #2 (TC2): When organizations have previously committed to quality management programs as a central tenet, managerial efforts to eliminate negativity post-downsizing appear hypocritical, further stimulating employee resentment, mistrust, and suspicion.

One frequently identified problem with downsizing is that the strategies are typically conceived and administered at the top of the managerial hierarchy with little involvement from, or managerial attention to, front-line employees. This top-down decision-making process becomes particularly disconcerting in high-risk workplaces like aviation where management had previously championed teamwork and open communication through integrative quality management programs like Total Quality Management (TQM), Lean Six Sigma, or Crew Resource Management (CRM).

CRM is a popular safety philosophy which emerged about thirty years ago in aviation and is typically defined as a way for teams to use “all available resources—information, equipment, and people—to achieve safe and efficient flight operations”
(Weiner, Kanki and Helmreich, 1993: 5). Today, CRM is mandated by the FAA and has become an integral part of a wider organizational safety culture at airlines and military squadrons worldwide; CRM-influenced programs have spread to nearly all high-risk fields (Fraher, 2005a; 2005b; Helmreich, Merritt, and Wilhelm, 1999). As a result, one can now find CRM-related research published in a variety of non-aviation journals around the world such as the Association of Operating Room Nurses Journal (Powell and Hill, 2006), British Medical Journal (Gaba, 2000; Helmreich, 2000; Sexton et al, 2000), Canadian Journal of Anesthesia (Helmreich and Musson, 2000), Cognition, Technology & Work (Guerlain, Turrentine, Bauer, Calland, and Adams, 2008), Disaster Prevention and Management (Paton, and Flin, 1999), Human Relations (Fraher, 2004), Journal of American College of Surgeons (Makary et al, 2006), Journal of International European Industrial Training (Flin, 1995), Journal of Nursing Administration (Oriol, 2006), Journal of Perinatal & Neonatal Nursing (McConaughey, 2008), Journal of Risk Research (Mearns, Flin, and O'Connor, 2001), Management Communication Quarterly (Ashcraft, 2005; McKinney et al, 2005), Team Performance Management (Flin, 1997; Flin, O’Connor, and Mearns, 2002), The American Surgeon (McGreevy, Otten, Poggi and Robinson, 2006), and even The New Yorker magazine (Groopman, 2005).

These studies typically provide evidence that poor leadership and fragmented teamwork combine with communication failures, role conflicts, and trust and authority issues, as common human factors precursors to accidents in high-hazard, high-reliability industries. Team training programs have evolved to address these issues as a way to support a wider organization safety culture. These programs embrace open communication, flatter hierarchies, and cooperative teamwork in which individuals are...
encouraged to speak-up, voice concerns and problem-solve collaboratively. The goal is to increase trust and diminish fear as a way to mitigate errors and avoid bad decisions. Yet once these same high-risk organizations downsized, employees who had been deeply indoctrinated into these teambuilding philosophies in their own work, now saw managers making decisions in a hierarchical way without the open communication and collaboration they had previously espoused. Thus, employees perceived managers to be behaving hypocritically.

Of the pilots surveyed, only 3% reported decision-makers at their airline as “competent” and 36% cited them as “very incompetent”. Managers “are in a completely different world” from rank-and-file employees both in terms of pay and exposure to risk, one pilot noted. “Managers just care about themselves, not the airlines.” In fact, several pilots believed airline managers strategized to pit employee groups against each other to create disharmony. Obholzer (1994) described this style of management as “‘paranoid-schizoid by choice’ fragmenting and splitting up systems instead of promoting collaboration,” as a way to make it more comfortable for managers to make difficult decisions (173). The result was an increase in personal anxiety for pilots, many of whom continued to feel victimized and shameful that US airliners had been commandeered by terrorists. They experienced the 9/11 airline hijackings, increased scrutiny afterwards by security officials and abandonment by their airline and labor unions during downsizing, as an attack on their profession and individual professionalism creating a cycle of rage, frustration, and hopelessness (Fraher, 2004).

Several pilots interviewed explained that it was not airline bankruptcy, pay cuts, or employee furloughs that were most unsettling to them. Managerial strategies
undertaken after downsizing to indoctrinate the surviving employees into the new post-9/11 organizational processes troubled them most. One airline instituted a mandatory employee training program in business education. As one pilot described it, about a hundred employees assembled to play a board game designed to expose workers to various business scenarios. Another called it a “‘Business 101’ briefing for kindergartners.” A third described the goal as teaching workers how hard managerial decisions had been during bankruptcy:

You rolled the dice and moved forward and you’d land on a space, like a monopoly game, and it would say ‘fuel prices have spiked up $5 a barrel. Do you want to: A) park some of your airplanes; B)—and then you’d have to make choices. Based on the choice, you’d lose money or make money.

Besides being offended that they were required to attend this training unpaid on their day off and “embarrassed” to be playing “a stupid board game,” many employees resented feeling forced to drink the company “Kool-Aid.”¹ Several were appalled that their airline spent $20 million developing the training, while simultaneously furloughing employees and cutting wages and benefits.

Many people reported “riots breaking out” and “security” being called because employees became so enraged. One pilot observed, managers had “grossly miscalculated the depth of pilot anger and hostility.” Another reported that all the experience accomplished “was to highlight just how out of touch our management team was. If they couldn’t gauge morale within their own employee group, how could we then have any confidence in their decision making as it related to a complex business?” One pilot recalled people crying, they were so humiliated: “Here was a company who had

¹ “Koolaid” is a brightly colored, syrupy sweet artificially manufactured children’s drink with little nutritional value.
clearly broken employee spirit and morale” and “now they had the audacity to talk about things like quality and working together as a team. What a two-faced joke!”

Interestingly, whether it was security changes, managerial practices, regulators, training, or airline culture, many pilots interviewed used the word “joke” to describe post-9/11 changes. This supports Miller’s (1999) finding that companies trying the hardest to eliminate negative or ambivalent feelings may instead stimulate the most employee resentment, mistrust, and suspicion. In fact, Miller noted, for managers to “expect that surviving employees could be persuaded to be loyal to an employer who had been extremely disloyal to the hundreds of ex-employees who had lost their jobs was rightly seen as absurd” (107).

Similarly, Gittell et al. (2006) studied major US air carriers after 9/11 and found the managers who paid attention to the interrelatedness between relational reserves and financial reserves before and during the crisis, best contributed to organizational resilience post-crisis. More specifically, this study explained why Southwest Airlines—an air carrier which has never furloughed employees—recovered the fastest of all US airlines after 9/11 while United and US Airways—air carriers which laid-off the most employees—recovered the slowest. By 2005, Southwest’s stock traded at 92% of its pre-9/11 level while United and US Airways stock remained at 12 percent and 23 percent, respectively (308).

As Southwest CEO Jim Parker observed, “We are willing to suffer some damage, even to our stock price, to protect the jobs of our people” (Conlin, 2001). This prioritization of employees’ rights over shareholders’ interests is obviously in opposition to many managerial strategies and economists’ opinions, but founder Herb Kelleher
explained Southwest’s philosophy this way: “Nothing kills your company’s culture like layoffs.” It is “shortsighted.” In contrast, not furloughing, particularly when times are tough, “breeds loyalty,” “a sense of security,” and “trust”; As a manager, “you want to show your people that you value them and you’re not going to hurt them just to get a little more money in the short term” (Brooker 2001: 62).

As a result, Gittell, et al (2006) reported, managers’ commitment to maintaining strong employee relationships was essential to organizational resilience during a crisis and critical to the ability to respond effectively afterwards. If the downsizing was not properly managed, the resultant organizational damage likely included destruction of trust and loyalty; a reduction in information sharing and increase in secrecy, deception, and selfishness; and an increase in anger, vindictiveness, and feelings of victimization. Similarly, other studies found that the negative repercussions of downsizing could be mitigated if managers monitored communication, decision-making processes, and the managerial actions and inactions that affected employees’ perception of fairness and trust (Cascio and Wynn, 2004; Dougherty and Bowman, 1995). And Bozeman (2010) observed that one of the best predictors of positive recovery and employee performance after layoffs at a recently downsized hospital was managers’ consideration for employees’ morale and welfare during the layoff period (560).

It becomes clear that when organizations that have previously championed collaborative leadership, open communication, and coordinated teamwork as a central tenet—like airlines and hospitals—attempt to downsize, particular leadership attention must be paid to the decision-making process. If employees believe that the organization
has broken a tacit social contract they will likely enter a mourning period, performance will suffer, and scapegoating of upper management as hypocritical is likely to occur.

Theoretical Claim #3 (TC3): Employees furloughed twice may suffer “post-downsizing stress syndrome” which can affect their health, personal life, and attitude towards work, fostering a sense of desperation.

Shore (1996) studied eighty laid-off professionals in a variety of organizations and found evidence of what he termed “post-downsizing stress syndrome” (5). Symptoms included anxiety about work-related issues which eventually affected people’s health, personal life, and attitude towards work, fostering a sense of desperation. Similarly, Cottle (2001) found the health of men—in particular, those who remained out of work for more than six months—to be especially harmed because the trauma of unemployment deeply affected their sense of identity as men and providers for their family. Participants in his study were driven to abandon their families, and commit murder and suicide, in the face of lingering unemployment. As a result, Cottle found the number one predictor of a long healthy life is not popular notions of diet and exercise but rather employment and job satisfaction (33-34).

Predictably, evidence of pilots declining mental health and “post-downsizing stress syndrome” were found in the current study as well. One senior captain recalled nearly every flight “I was flying with a copilot that was being furloughed either that month or the next month. The stress” was “unbelievable.” And “when there’s stress on one pilot, there’s definitely stress on both.” Prompted in part by his experience of being airborne on 9/11 and suffering from post-traumatic stress syndrome, this captain took time off, went into therapy, and completed a master’s degree in counseling. He noted, “I have quite a bit of background in the effects of depression and stress [now]. It was
really obvious to me that at least half of the guys I was flying with were clinically depressed.” They “were probably at the level where they really shouldn’t have been flying.” One furloughed pilot even reportedly committed suicide, unable to cope with the prospect of joblessness.

Ironically, the prospect of being recalled back to work at their airline was a central stumbling block in many double-furloughees development of psychological mechanisms that might allow them to better cope with their experience, find closure, and perhaps move on with their life and career. There may be several logical reasons for this resistance. It takes decades of experience, and often tens of thousands of dollars, to acquire the training and flight time needed to work for a major airline. Once hired, a pilot receives a seniority number which dictates his choice of domicile, aircraft, flight schedule, and vacation time, therefore directly influencing quality of life and pay. Since this number is not transferable to another airline, there are strong incentives to wait out even a challenging furlough situation at one airline rather than starting over at the bottom of the seniority list at another company. In addition, given the specialization of piloting skills, without further education and training, few jobs outside of aviation will pay the six figure salary a pilot can easily earn flying for a major airline. Yet, under conditions of the changed post-9/11 environment these reasons are inadequate to explain the overwhelming inertia displayed by this group.

Of the ten double-furloughees interviewed, only three gave up waiting to be recalled, pursued new job skills and career paths, and seemed to have fully recovered from the trauma of their downsizing experience. They seemed happy in their life and content with their decision to move on. One started over at the bottom of the seniority
list at another major airline, one found government employment, and another moved into defense contracting. Two of the three reported that they would consider returning to their airline when and if, recalled to work, but were not preoccupied by that possibility.

On the other end of the spectrum, three double-furloughees remained severely traumatized by their downsizing experience. Although more than two years had elapsed since their second furlough, all three seemed depressed, stuck, and unemployed, or under-employed, desperately waiting for their airline to recall them in order to relieve them of their angst and restore their sense of productivity and identity. Two of the three compensated for this anxiety through a chaotic state of over-activity that seemed to permeate all aspects of their personal life.

The remaining four double-furloughees distributed themselves along a continuum between the ‘well-adjusted/moving on’ group and the ‘depressed/stuck’ group. I call this middle group ‘survivor/addicts’ because they each recovered from the trauma of their downsizing experience enough to find ways to financially survive, but remained addicted to their major airline flying identity and were desperately preoccupied with awaiting recall. Uninterested in developing new skills, they seemed willing to wait indefinitely for recall rather than consider adjusting to their situation and moving on to a new career path.

It is clear that job loss takes its toll on people’s physical and psychological well-being. Although some double-furloughees have adapted to their situation and moved on with their lives and careers post-downsizing, the majority (70%) have not and are desperately awaiting airline recall. These double-furloughees are suffering from “post-downsizing stress syndrome,” which affects their health, personal life, and attitude...
towards work. Many seem stuck in a perpetual limbo, unable to go back to work and unwilling or incapable of moving on with their life.

**Theoretical Claim #4 (TC4): Airline downsizing, and the resultant psychological fallout, may generate a “predictable surprise”.

Most organizational disaster theorists believe that accidents rarely spontaneously occur out of nowhere (Bazerman and Watkins, 2004, 2005; Dekker, 2005; Fraher, 2011; Unpublished; Stein, 2011). Instead problems often “incubate,” (Turner, 1976: 381) sometimes for years, as organizations slowly “drift towards failure” (Dekker, 2005: 18) until one day factors align in a “window of accident opportunity” (Reason, 1990: 5). These disasters are so inevitable, and the warning signs that precede them often so clear, scholars have taken to calling them “normal accidents” (Perrow, 1984) or “predictable surprises”, (Bazerman, and Watkins, 2004; 2005) not because of their frequency, but because they are the normal consequence of increasingly complex operating environments which challenge human sense-making in unanticipated ways. These conditions lead to accidents that, these researchers argue, with a little bit of awareness and imagination we should have seen coming.

Airline downsizing, and the associated psychological stressors discussed previously may contribute to a predictable surprise in the form of a major US airline crash in the near future. Nearly every pilot I interviewed agreed it’s likely. Ninety-six percent reported witnessing increased stress on the pilot workforce due to post-9/11 cost-cutting measures; seventy-eight percent reported workforce stress as a daily occurrence. Ninety-eight percent of pilots interviewed witnessed mistakes or distractions
on the flight deck because of airline cost-cutting and work rule changes; sixty percent saw this on a daily or weekly basis.

The biggest problem, one pilot observed, was that the aviation industry is “not facing things.” They act like “just because it’s legal” means “it’s safe.” He explained, “When you’re being pushed to not call in sick, or being questioned when you call in sick, that’s not being safe.” And when “you hear a mechanic tell a captain, ‘If you want that fixed, you need to refuse the airplane’,” that’s not being safe. And when pilots are being rushed through abbreviated training programs and pressured to fly airplanes with documented mechanical problems in order to save money, that’s clearly not safe either. These were all reported by many respondents.

Several worried that pilots make their job look too easy and the apparent rarity of aviation deaths has caused passengers to become indifferent, regulators lackadaisical, and airline management complacent about air safety. Many observed the only thing preventing a major crash was “luck,” “standard operating procedures,” and the “professionalism” and “experience level” of aircrews. Several pilots confessed they were “stunned” that there were not more safety incidents in the post-9/11 period, believing the current levels of stress and fatigue to be a “recipe for disaster.” “The way the company puts pressure on the employees, it’s just a matter of time” one pilot noted, “something’s got to give.”

In addition, when double-furloughed pilots eventually return to work, it is clear that managerial attention needs to be paid to rebuilding the trust and commitment of this liminal employee group by recognizing the value of their ‘subjugated knowledges’. A large percentage of these pilots will not have flown an airliner in years; managers will
need to address compassionately the psychological, emotional, and technical challenges this group will inevitably bring along with it. Yet, if airline executives manage this liminal state with the same blinkered strategies with which they downsized in the first place, team performance will likely suffer and questions about air safety must be raised.
References


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