

Labor in Aerospace:

A Business Perspective

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Aerospace is a glamorous yet uncompromising business. The march toward commercial competitiveness began after deregulation in 1979, and drives on today as an unrelenting push for year-over-year cost improvements.

What has been the impact on labor? As a percentage of the issues being dealt with now by management, it garners a decreasing share of attention and pales in complexity. As a publicly traded company, United Technologies (parent company of Pratt & Whitney) commits to deliver 15 percent earnings per share growth each year regardless of the aerospace cycle and situation. We are dealing with a growing number of increasingly complex problems as we reconcile the demands of shareholders, customers, and employees.

Not in the Spotlight

Collaborative labor relations, joint problem-solving teams, job enrichment, quality circles, kaizens, safety teams, statistical process control, total productive maintenance, high-performance teams, etc. are important, but they no longer garner the spotlight of management attention. And

how can they? The complexity of the industry is many times what it was just five years ago. Today's relentless challenges include the following:

- Sustaining revenue growth;
- Getting "cost of goods sold" in line with market pricing pressures;
- Cross-company engineering development programs;
- Acquisitions, joint ventures, and global sourcing;
- 24-hour per day engineering;
- Information technology conversions;
- Managing real-time product performance data for diagnostics and predictive maintenance; and
- Entry into new market segments.

The industry is consolidating at such a fast rate now that there are only two groups left—the quick and the dead. If the foundation for productive labor relations

Labor garners a decreasing share of attention.

is not already in place, the time to create it is a luxury no longer afforded in this marketplace. We in aerospace are involved in building the most incredible

products on this planet; we do the impossible every day. The work of tomorrow is being decided today on the foundation laid during the last ten years.

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A. Bryan Davis designs, orchestrates, and leads large-scale institutional change within Pratt & Whitney (United Technologies Corporation). He focuses on plant "turnarounds," collaborative labor-management relationships, leadership development, and financially-based change processes.