

January 2012

**The University of Western Ontario**

Management and Organizational Studies 4475G  
AIRLINE OPERATION AND MANAGEMENT

January - April 2012

Instructor: Brian Morris

Class Sessions: Fridays 8:30 – 11:30, Social Science Centre, Room 3026

Office Hours: Monday through Friday – by appointment

Email: bmorrisis@rogers.blackberry.net

Textbook: *Air Transportation: A Management Perspective*  
7<sup>th</sup> Edition, John G. Wensveen  
Ashgate Publications

Reference Reading: The Art of Collective Bargaining  
J.P. Sanderson, Q.C.  
De Boo Publications

Resource Websites:

Transport Canada	<a href="http://www.tc.gc.ca">www.tc.gc.ca</a>
Nav Canada	<a href="http://www.navcanada.ca">www.navcanada.ca</a>
Air Canada	<a href="http://www.aircanada.ca">www.aircanada.ca</a>
WestJet	<a href="http://www.westjet.com">www.westjet.com</a>
ATAC	<a href="http://www.atac.ca">www.atac.ca</a>
DOT (US)	<a href="http://www.dot.gov">www.dot.gov</a>
FAA (US)	<a href="http://www.faa.gov">www.faa.gov</a>
IATA (Int'l)	<a href="http://www.iata.org">www.iata.org</a>
ICAO (Int'l)	<a href="http://www.icao.int">www.icao.int</a>
ACI (Airport Council)	<a href="http://www.airports.org">www.airports.org</a>
ACI-NA	<a href="http://www.aci-na.org">www.aci-na.org</a>
U.S. Air Transportation	<a href="http://www.airlines.org">www.airlines.org</a>

## **COURSE DESCRIPTION, PHILOSOPHY AND OBJECTIVES**

Prerequisite: 4406F is strongly recommended.

Students will participate in discussions and class presentations, focussing on the functional departments of an airline. Students will learn the dynamics of interdepartmental relationships, and the effects of synergies found within a functional team. As team members, students will be tasked with resolving numerous departmental issues, including operational, marketing, and industrial relations scenarios. Students will gain an understanding of the importance and dynamic contribution of each division within the airline structure. Students will be encouraged to problem solve real life, real time, business management issues and challenges, individually and as a class through student group presentations, and class discussions. Emphasis will be placed on the necessary management and personal skills required, to be effective in a team environment. Through the use of existing airline experiences, students will gain perspective of analytical time allowances, as well as real time action plan requirements in producing an actual business plan which will be presented to senior members of the Canadian airline industry. Students will be exposed to regulatory, industrial, and political influences, and the impact these elements have on management personnel. This course relies on lectures, student presentations, guest speakers and assigned readings.

Students will find the following publications aid in gaining a greater perspective of the industry.

Journal of Air Transport Management  
Airline Business  
Air Transport World  
Air Cargo World  
Wings Magazine  
Aviation Week and Space Technology  
Flight International

## **EVALUATION**

Students will be evaluated on a business scenario based on:

- 1) Oral Presentations 15%
- 2) Written Essay 20%
- 3) Mid Term Test 20%
- 3) Class Participation 15%
- 4) Final Examination 30%

Students working in teams will choose or be assigned to an airline department to participate, and work as functional managers within the group. Oral presentations and a subsequent written essay based on the specific business scenario will follow. The instructor will select the business scenarios. Predetermined dates for presentations will be attached to each topic. All students will present during the semester as well as be expected to participate in active discussions on the presentations of others.

**Business scenarios during the course will include aircraft procurement, new route selection processes, increasing and decreasing flight hours, as well as labour relations issues that impact the process within the business case.**

**ORAL PRESENTATION (15%):** The presentation will require research, the development of an outline, and an oral presentation to the class followed by class discussion on key aspects of the presentation. Each presentation will incorporate specific information criteria, as well as information researched and selected by the student group.

Presentation outlines, detailing points to be covered during the presentation, will be made available to the instructor no later than the Friday preceding the presentation. (Note: the outline should be 2 - 3 double spaced typed pages). Presenters will summarize cogently and highlight precisely the main elements of their presentation. Presentations will be made with the understanding that all students already have become familiar to some extent with all department issues. Written guidelines for both the oral presentation and the essay will be distributed in class.

Presentations should be well rehearsed before class. To a large extent, a successful seminar/presentation hinges on the questions the presenters are able to raise and the grasp by all participants of the material that is highlighted in the presentations. The questions raised and the highlights of the papers then can be explored in the ensuing discussions. Hence the importance of presenters being well prepared, and all class members being familiar with the gist of what is to be presented.

**If there are any questions about the focus of the presentations, the instructor should be consulted.**

**Presentations on each topic will have a maximum time allotment of 25 minutes, not including class discussion.**

**WRITTEN ESSAY (20%):** The written and final version of each presentation will be handed in to the instructor no later than one week following the presentation. The extra time will allow for any changes that the individual presenters may wish to make in the paper following the presentation, considering class discussion or further consultation with the course instructor. The papers in their final form will have footnotes/endnotes and bibliography and be a credible fourth year quality essay. There is an expectation the essay will demonstrate the group's original perspective when completing the evaluation phase of the project, complete with recommendations where appropriate. All papers should be well organized, properly documented and written clearly. The length of the paper should be between 18 – 25 pages, double spaced, and may include charts, graphs or other appropriate examples.

**NOTE: A late penalty of 15% per day for any and all portions will be deducted from the scheduled date of submission.**

**CLASS PARTICIPATION (15%):** Students will be responsible to come to class prepared to participate. Participation will be demonstrated and assessed through active involvement and quality contribution to class discussion and debate. Further, attendance is critical in order to benefit from the complexity of information of this course, along with the assigned readings outlined in the class schedule. Additionally some classes will have a guest speaker and on those occasions, the opportunity for learning and understanding will be as a result of the level of class preparation and participation exhibited by the students. This is a clear indication of the importance of a student's commitment to attend scheduled classes as well as individual initiative to gain information as sources are presented.

**The sharing of ideas and perspectives is an integral part of learning in this course.**

**Mid Term (20%):** There will be one midterm test which will be based on the material covered to date in the course. (1 1/2 hours)

**FINAL EXAMINATION (30%):** The exam is designed to demonstrate student's comprehension of material and concepts found in the assigned readings, as well as those presented in class, including material shared by guest speakers and student presentations. It will require the student to apply the knowledge and insights they have gained, and to problem solve airline management challenges as well as present information regarding the principals of numerous aspects of airline management. (2 hours - short essay). Final Exam will be scheduled during the April 2012 exam period.

## **CLASS SCHEDULE**

Week 1**Course Introduction**

- Welcome
- Review of Course Outline
- Clarification of Expectations
- Preparing the Corporate Mission, Vision & Values
- Departmental Team Selection
- Business Case Scenario Outline

Readings: Air Transportation: A Management Perspective  
Chapter 1 – The Airline Industry  
Chapter 2 – Aviation: An Overview

Week 2**Introduction to Airline Labour Relations**

- Corporate Strategy Development
- Safety at the core of each decision

**Organizational Development**

- Basic organizational structure
- The requirement for quality Leadership and Relationships
- Management Objectives
- Management/Union Representation
- Duties and Responsibilities of management representatives

Readings: The Art of Collective Bargaining  
Chapter 1 – Introduction  
Chapter 2 – Preparing for Negotiations

Week 3**Labour Development**

- Labour Representation Selection Process

- Union Objectives
- Strategic Planning process
- Duties and Responsibilities of Union representatives
- Interaction and Relationships with management personnel

Readings: The Art of Collective Bargaining  
Chapter 3-Direct Bargaining  
Chapter 4- Negotiating Sessions

Week 4      **Aircraft Procurement Exercise: Business Case STEP 1**

Setting the Goals

- Action Class teams
- Human resource planning
- Recruiting excellent employees
- Human rights & discrimination
- Departmental requirements

Readings: Air Transportation  
Chapter 11 – Pricing, Demand, and Output Determination  
Chapter 14 – Aircraft selection process

Week 5      **Critical Role of Strategic Planning**

- Business Strategy Development
- Potential markets/route analysis
- Choosing equipment – What is the best fit
- Partnerships and Alliances
- Working with the manufacturer
- Setting Targets for Operational Performance

Sales

- Revenue generation and Market share
- Distribution and Commercial Relationships

- Adding new aircraft types: process

#### Branding Strategy

- Marketing communications (external communications)
- Advertising, brand identity and image

Readings: Air Transportation  
Chapter 7 - Economic Characteristics  
Chapter 13 - Airline Scheduling

### Week 6

#### **Aircraft Procurement Exercise: STEP 2**

- Initial Team Informal Presentations on Departmental requirements
- Class discussion and Departmental concerns and required support

#### Strategic – Network Planning

- Aircraft selection process
- Demographic considerations

#### Flight Operations/Inflight Service

- Impact of Training requirements
- Impact of Industrial Relations

#### Airport Operations

- The customer experience; reservations, airports, in -flight
- Customer focussed employees make the difference
- Airport Standards and passenger handling
- Third Party relationships

#### Maintenance

- Primary labour relation issues

#### Labour Relations Group A

- Company considerations

#### Labour Relations Group B

- Union considerations

#### Human Resources

- Support processes for all departments

Readings: Air Transportation

## Chapter 8- Pages 239 – 255

Week 7**Midterm Test**Week 8**All Department Meeting**

- Review of all issues within the business case of each group
  - Each group to present their status update to the other departments
  - Input and from all other groups
- Outstanding Labour Issues – Management/Union Strategic Planning

## Readings:

Air Transportation  
Chapter 15 – Labour Relations

Week 9**Final Preparation for President Presentations**

- Formal review of all business case factors for the President

Week 10**Presentations to the President**

- All Departments Presentation Day

Week 11**Departmental Team Synergy**

- Working within a Team
- Working with other departments
- Gaining credibility

**Leadership**

- Corporate
- Team
- Individual

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format or if you require any other arrangements to make this course more accessible to you. You may wish to contact Services for Students with Disabilities (SSD) at 661-2111 #82147 for any specific questions regarding an accommodation. More information about “Accessibility at Western” is available at: <http://accessibility.uwo.ca>.