

## Aligning Aviation Performance Metrics with Corporate Goals

We often find Directors of Aviation receive significant resistance with corporate leadership when discussing compensation adjustments. During the last five years, the competition for technicians has increased and we are starting to see the same difficulties with pilots – particularly, seasoned captains. Imagine what it would feel like to go to your boss with compensation adjustments and have them reply “Sure thing.” While this may be a fantasy, we believe most of the resistance to compensation adjustments is founded in a fundamental misunderstanding of how each role contributes to the overall corporate strategy.

No longer is it acceptable for pilots to use “takeoffs = landings” or for maintenance technicians to claim they achieved their goals because the “airplane was ready for departure.” No one would be satisfied if the target performance for a doctor were “I didn’t kill anybody today.”

Take this assessment to see how aligned your team is with corporate strategy:

- Can you identify at least three primary initiatives your company is focused on for the current year? – 1 point
- Do you have goals for the current year for the Aviation Team? – 1 point
- Do these goals directly correspond with the corporate goals? – 3 points
- Have you sat down with each of your direct reports and determined their goals for the current year? – 1 point
- Do your direct reports’ goals correspond with the corporate goals? – 3 points
- Do you have an incentive compensation opportunity? – 1 point
- Is your incentive compensation based on your performance? – 1 point
- Do your direct reports have an incentive compensation opportunity? – 1 point
- Is your direct reports’ incentive compensation based on their performance? – 2 points
- Is there an incentive compensation opportunity for non-managers? – 3 points
- Is the non-manager incentive compensation at least 10% of their base salary? – 1 point
- Is your manager’s incentive compensation at least 15% of their base salary? – 1 point
- Is your incentive compensation opportunity at least 20% of your base salary? – 1 point
- Is “successfully completed recurrent training,” “reported on time,” or similar job expectations quantified as part of the pilot, scheduler, or technician performance assessment? – Subtract 3 points
- Do you have goals that are in conflict with corporate goals? – Subtract 2 points

- Do you have regular performance evaluation discussions? – 1 point for 2x per year, 3 points for 4x per year
- Do you modify goals (and document the modifications) during the year as priorities change? – 1 point
- If somebody “just does their job (i.e., “checks the box”), are they rated “Satisfactory?”- Subtract 1 point
- If you have seven or more employees, is there a significant difference between their performance ratings? – 1 point

Great Job! Keep Leading	19-22 points
Headed in the right direction	12-18 points
Good time for a discussion	7-11 points
There is some risk here	6 or lower

The best programs we see are focused on additive activities. What are the projects or initiatives that move the Aviation Team forward? These initiatives are the focus for performance measurements.

It is critical to articulate to aviation professionals that their base skills and activities are part of being qualified to do their job. Schools, CRM skills, accuracy, judgment, and technical knowledge are assumed and do not provide credit for performance measurement. Many corporations are moving toward incentive compensation programs where 70% of the employee's base compensation is assumed and the remaining 30% is only awarded for strong performance. Exceptional performance may earn an additional 10% – 25% depending on the position.

Do you know your own corporate compensation philosophy? Have you met with an internal compensation manager and asked what the model will look like in the next few years? How is your company handling compensation for hard to find employees? How are performance assessments designed for other technical positions within the company (IT specialists, security personnel, etc.)?

When you have these discussions, they provide a sense of trust with corporate leadership. So, the next time you climb the hill for your team, corporate leadership will have the ability to listen to your proposal because they know you are aligned with the larger corporate strategy.