*“Sending Out Mixed Signals”*

*By RG*

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On Wednesday, December 9, 2020 between the hours of 2 PM and 3:30 PM, two reports concerning Delta Air Lines plans for 2021 were published. Nothing strange about that given the current situations that the airline industry has been experiencing beginning since the first of March 2020 when the effects of the COVID-19 Pandemic began affecting the industry to incorporate the travel industry as a whole. This includes hotels, car rentals, cruise lines, bookings, etc. However, the topics of these articles actually provide conflicting impressions of what will be happening with Delta and the associated pay of its employees.

The first story was published at 2PM on Dec. 9, 2020 and was written by Leslie Josephs of CNBC and is titled *“Delta CEO asks employees to take more unpaid leave in 2021 as industry continues to struggle”.* ([Delta CEO Asks Employees to Take More Unpaid Leave in 2021 as Industry Continues to Struggle – NBC New York](https://www.nbcnewyork.com/news/business/money-report/delta-ceo-asks-employees-to-take-more-unpaid-leave-in-2021-as-industry-continues-to-struggle/2770719/)) As the title of the article implies, Ed Bastian, CEO of Delta Air Lines, apparently in an internal memo to all employees asked employees to sign up again for leave of absence in 2021 as was done back in April 2020. However, this time it comes with one caveat, this leave of absence will be unpaid. *“Some 40,000 Delta employees opted for unpaid leave back in April with roughly 18,000 full time employees accepting buyouts.”* (Josephs, 12/09/20) This of course does not include the countless number of contract workers that was released and had their employment terminated subsequently being escorted off the premise’s weeks prior to the official start of the leave of absence for the full-time employees.

The second article was published at 3:36PM on Wednesday, Dec. 9, 2020 and was written by Kelly Yamanouchi who reports on the airline industry, especially concerning Delta Air Lines, for The Atlanta Journal-Constitution (AJC). It is titled *“Delta to restore employees to full pay, hours”.* ([Delta to restore employees to full pay, hours (ajc.com)](https://www.ajc.com/news/business/delta-to-restore-employees-to-full-pay-hours/FE7NT2CB3RBZHILGFMZPFBBRH4/) This article states that Ed Bastian, CEO of Delta Air Lines, in an internal memo announced to all employees, *“That beginning Jan. 1, 2021, all merit and ground employees will be returning to their full schedule and have their hourly pay rate restored.”* (Yamanouchi, 12/09/20)

First, it is very unlikely that Delta’s CEO issued two separate memos to all employees at the same time given the timing at which these two articles were published on Wednesday, Dec. 9, 2020 and, given how these articles were available for viewing, one could read one article and not know or be aware of the other article. So, depending on which article you read it is either good news or given the current circumstances with the Pandemic nothing is actually changing, just remaining the same. Yet another effect on businesses in the US. You must read both articles to get a full understanding of the events about to unfold internally with Delta.

It is truly a joyful thing that given the current Pandemic issues, that employees have been advised that their individual work schedules will go back to normal and that their pay will also be restored back to the level at which it was prior to the implementation of the salary adjustments starting the new year. A very welcomed Christmas present. However, one must also consider the news noted in the other article that Delta again for 2021 will be asking its employees to take unpaid leaves since the recovery from the Pandemic has not begun which means the Pandemic is not over. So, per these two articles, you can infer that those employees who do not participate in the leave will, at least while they work, be paid their full salary and work a full 40 hour a week schedule, great for them.

Delta initially during the early months of the Pandemic *“was losing some $50 million a day”*. (Yamanouchi, 12/09/20) Calculate it, $50 million for one 30-day period equates to $1 billion, 500 million!! Losses started back in March and for the following months, at least four ending around June, Delta did not start having a handle on reducing the amount of loss revenue on a daily basis. So, for about four months, Delta was experiencing, like other air carriers, a major reduction in their daily, as well as monthly, revenues. In this calculation, the total estimated revenue loss is at $6 Billion for a four-month period. This amount is more than most developing countries revenues.

Out of the legacy air carriers of American Airlines and United Airlines, Delta is probably the most financially capable to weather through and rebound for its employees are some of the most loyal employees seen within the industry but even with that being said, the time when things will be back to normal is still far off, if ever, for what will be normal for the airline industry going forward? No company rebounds immediately from an estimated $6 billion loss. This amount of course is an estimate for the end of the 2020-year financial statement for Delta has not been finalized and want be made public until around the end of January 2021. So, we really do not know the true figures of the loss of revenue Delta experienced during this time yet.

The effects of COVID-19 on the airline industry will be long lasting and is the story airline industry reporters need to report on. The effects of deregulation on the airline industry beginning back on October 24, 1978, some 42 years ago, has probably not had the same long lasting, daily operational change affect on an airline than has the COVID-19. Deregulation by design reduced the number air carriers within the United States either by mergers and acquisitions or a total cease of operations not affecting the daily operation of the surviving air carriers. COVID-19 on the hand has forever changed and impacted how the airlines operate on a daily basis from the number of passengers allowed per flight, aircraft seating configurations, employee work areas, to the increased number of remote or work at home workers for the customer service positions involving passenger booking, cargo booking, complaints, and other ticketing, passenger loyalty issues. COVID-19 has incorporated many new aspects that going forward will be the norm and not the exception for the airlines in general. This includes employee temperature checks. Prior to starting their daily work shifts employees will have their temperatures monitored. Passengers as well prior to boarding their flights will have their temperatures checked to include when passengers arrive at the screening check points, operations handled by TSA. Passengers will have their temperature checked prior to allowing them access into the terminals to board their flight. How the airlines will handle this new issue when a passenger is not allowed to go through the check point or if an international arriving passenger having to go through screening prior to boarding their domestic flight is the question. Will the airlines issue a refund, or will this be an exception? If a passenger can not carry on a handgun then how much more important is it if their temperature is above the regulated amount which could possibly infect other passengers, will they be allowed to proceed? These and many more questions yet to be discussed and presented are not resolved.

So, once again the airline industry is experiencing changes that when the industry began decades ago where not discussed or even thought of. This continues to show that the airline industry is one of the most regulated industries and its employees have to be the most flexible and adaptable to change for the industry is constantly changing.