

Canadian
Forces
College

Collège
des
Forces
Canadiennes



CAF PILOT RETENTION: COMMERCIAL AIRLINES METHODS OF ATTRACTION

Lieutenant-Colonel Jeremy Sugimoto

JCSP 48

Service Paper

Disclaimer

Opinions expressed remain those of the author and do not represent Department of National Defence or Canadian Forces policy. This paper may not be used without written permission.

© Her Majesty the Queen in Right of Canada, as represented by the Minister of National Defence, 2022

PCEMI 48

Étude Militaire

Avertissement

Les opinions exprimées n'engagent que leurs auteurs et ne reflètent aucunement des politiques du Ministère de la Défense nationale ou des Forces canadiennes. Ce papier ne peut être reproduit sans autorisation écrite.

© Sa Majesté la Reine du Chef du Canada, représentée par le ministre de la Défense nationale, 2022

CANADIAN FORCES COLLEGE – COLLÈGE DES FORCES CANADIENNES

JCSP 48 – PCEMI 48

2021 – 2022

Service Paper – Étude militaire

CAF PILOT RETENTION: COMMERCIAL AIRLINES METHODS OF ATTRACTION

Lieutenant-Colonel Jeremy Sugimoto

“This paper was written by a student attending the Canadian Forces College in fulfilment of one of the requirements of the Course of Studies. The paper is a scholastic document, and thus contains facts and opinions, which the author alone considered appropriate and correct for the subject. It does not necessarily reflect the policy or the opinion of any agency, including the Government of Canada and the Canadian Department of National Defence. This paper may not be released, quoted or copied, except with the express permission of the Canadian Department of National Defence.”

“La présente étude a été rédigée par un stagiaire du Collège des Forces canadiennes pour satisfaire à l'une des exigences du cours. L'étude est un document qui se rapporte au cours et contient donc des faits et des opinions que seul l'auteur considère appropriés et convenables au sujet. Elle ne reflète pas nécessairement la politique ou l'opinion d'un organisme quelconque, y compris le gouvernement du Canada et le ministère de la Défense nationale du Canada. Il est défendu de diffuser, de citer ou de reproduire cette étude sans la permission expresse du ministère de la Défense nationale.”

CAF Pilot Retention: Commercial Airlines Methods of Attraction

AIM

1. The CAF has a significant pilot staffing problem. Commercial Airlines (CAL) compete with the CAF for its experienced pilots. CAL use attractive compensation and benefits to lure pilots. However, the CAF is combating this lure with competitive compensation and benefits that enable the retention of many pilots. This paper will discuss pilot retention, focusing on Commercial Airlines' methods to attract RCAF pilots. First, the paper will present some background information for context and then discuss why pilots leave and stay. It will summarize the recruiting strategies in the industry and use company documentation and personal experiences from former RCAF pilots currently employed by these airlines. Due to word count limitations, this paper will focus on Air Canada (AC) as an example. It will conclude with a summary of findings and then propose several recommendations to increase the retention of pilots in the CAF.

INTRODUCTION

CONTEXT

2. Pilot attrition was stable at approximately 6% for years between 2011 and 2018 before decreasing to less than 2% in 2022.¹ The decrease can be attributed to CAF job security during COVID-19 and the near shutdown of commercial air travel at the height of the Pandemic. As early as 2020, rumours circulated that pilots' pay increase was on the horizon. That rumour came to fruition in April 2021, announcing a new pay structure and rates for CAF pilots. All seemed well concerning retention.

3. There are approximately 2000 pilots in the CAF in all stages of training and employment. Projecting the historical attrition rate, approximately 6%, equates to 120 pilots planning release from the CAF per year. This rate is on par with CAF officer attrition rates of 6.1% over the last ten years.² However, to maintain the same staffing level, 120 pilots need replacement annually which is not occurring. The training system produces approximately 100 qualified First Officers/Co-pilots/Fighter Pilots per year.³ The deficit of 20 pilots per year has amounted to a critical manning debt. The Preferred Manning Level (PML) is 1543 pilots, while the Trained Effective Strength (TES) is at 1395 pilots, a shortage of 148 (9%). The problem disproportionally affects fixed-wing over rotary-wing communities, from pilots releasing to pursuing airline careers. The effect is reflected in low experience before 2019 and proven with an increase in

¹ Etienne Rollin, CMP, Director Research Workforce Analytics, DGMPPRA, 2021/2022 Annual Military Occupation Review - Pilot (00183), presented 2 December 2021.

² Canada, Canadian Armed Forces Regular Force Attrition by Officers and Non-Commissioned Members, last modified 5 May 2021. <https://open.canada.ca/data/en/dataset/c48a7ca3-8d53-470b-90c9-87decc3801c1>.

³ Aircrew Production Brief to Comd RCAF, Update: Fall 2021, 25 October 2021. This represent the point when pilots are capable of flying a Force Employment mission and is normally tied to completion of the Operational Training Unit course.

experience levels and low attrition after 2019.⁴ This phenomenon directly results from the lack of airline pilot recruitment due to COVID-19 travel restrictions and the significant reduction in commercial passenger flying.

4. The CAF must consider two actions, recruit and train or retain more people to prevent further decline in pilot cadre numbers. Recruiting is challenging, and training pilots to an “Effective Strength” level at a constant rate, let alone a surge rate, is nearly impossible. Several reasons, including Pilot Instructor staffing, contractual limitations, infrastructure limitations, aircraft serviceability and aircraft introduction delays, are responsible.

5. The anticipated commercial pilot shortage and using RCAF pilots as a source to feed the shortage are exacerbating the situation. CAE predicts that 264,000 new pilots will be required throughout the period until 2029 due to “Age-based retirement and attrition combined with fleet growth.”⁵ Air travel will increase above pre-pandemic levels, and demand for pilots will return. The CAF’s inability to generate the number of pilots to offset attrition and reduce the personnel debt means one of the only methods to resolve the situation is to retain more pilots.

DISCUSSION

RETENTION

6. Retention is the only way to maintain pilot staffing levels in the CAF, given the training system deficiencies. It preserves experience and saves training costs. However, it also makes the Force vulnerable to losing the CAF’s intellectual property (IP) residing in members. The more time invested in members’ training, the more IP and experience lost upon release. The pilot occupation is particularly sensitive to high financial and temporal replacement costs. A recruit will only replace an experienced pilot with 15 years of experience after 15 years of gaining experience.

7. The cost to train a pilot is exceptionally high because of lengthy training duration, one-on-one instruction and aircraft operating costs. The numbers are in the millions of dollars to reach the Operational Function Point (OFP), where Force Generation (FG) ceases and Force Employment (FE) begins. The RAND Corporation estimated the cost to train a U.S. F-16 pilot at USD 5.6M, USD 1.1M for a C-17 pilot, and USD 2.5M for a C-130J.⁶ While these figures are for U.S. pilots, the cost to the CAF on similar aircraft would be likely more due to economies of scale. Further investment is required to train pilots to become Aircraft Captains (usually 500 flying hours), a crucial role as the community’s force generator and feeder to the ab initio instructional cadre at the flying

⁴ Ibid.

⁵ CAE, Airline and Business Jet Pilot Demand Outlook: 10-year view, 2020 Update, 4. <https://www.cae.com/cae-pilot-demand-outlook-2020/index.html>.

⁶ Michael G. Mattock, Beth J. Asch, James Hosek, Michael Boito; The Relative Cost-Effectiveness of retaining Versus Accessing Air Force Pilots, 2019, xii. RAND Corporation, Santa Monica, California.

schools. Loss of these people to attrition directly affects the CAF's force generation and capability.

8. Why are pilots leaving? Desire, frustration, opportunity, disappointment. In 2019, DRDC conducted a web-based CAF-wide retention survey to "provide information concerning work and organizational factors that have been shown to influence organizational commitment and retention."⁷ The survey found the highest reported reasons for leaving the CAF were the impact of the military on spouses, job dissatisfaction, lack of meaningful satisfying or challenging work, lack of geographic stability and occupational dissatisfaction. The most common external reasons were a lack of energy or motivation, the need for a break or change, eligibility for pension benefits, and personal health.⁸ It is important to note that lack of financial compensation was not one of the motivators to leave.

9. The assumption that all pilots have the same desires and needs must be avoided. Appeasing all pilots with the same measures will be unsuccessful. Pilots will be separated into several groups for further examination: Group 1 pensionable, Group 2 un-pensionable, Group 3 restricted-release, and un-pensionable. These three groups have vastly different concerns, age, demographic, experience and opportunities.

10. Group 1 are those with the most Years of Service (YoS) and have the most opportunities regarding employment. As an immediate annuitant, the members of this group can leave the CAF within 30 days and subsidize a much smaller starting salary. However, age plays a factor in the decision to leave. Assuming the case of an ROTP pilot who joined at age 18, upon retirement at age 43, having 25 YoS, could potentially work for another 22 years at a CAL.⁹ However, if the member remained in the CAF until 35 YoS, the member would be 56 and have less than nine years to work, leaving little time to gain seniority and lifestyle benefits.

11. Group 2 has many workable years and could potentially gain seniority at an airline. This group must consider the potential pension benefits of remaining in the CAF

⁷ The 2019 CAF Regular Force Retention Survey: Descriptive Analysis, iv.

⁸ Overall Results: Based on the results of the *2019 CAF Regular Force Retention Survey*, it is estimated that 23.5% intend to leave the CAF within three years. This number is somewhat higher than in previous administrations of the survey (e.g., 18.6% in the last administration in 2016). In addition, results revealed that 40.5% of Reg F members intend to stay with the CAF until compulsory retirement age (CRA; vs. 44.7% in 2016). The most common internal reasons for intending to leave include the impact of military life on spouse or partner (25.4%), job dissatisfaction (21.5%), lack of meaningful, satisfying, or challenging work (20.6%), lack of geographic stability (19.1%), and occupational dissatisfaction (18.5%). The most common external reasons for intending to leave are a lack of energy or motivation and/or the need for a break or change (20.5%), eligibility for pension benefits (16.9%), and personal health reasons (7.4%).

⁹ Mandatory Retirement under FAA is 65, Air Canada follows this figure as well, since their pilots are subject to the FAA regulations when flying in U.S. airspace.
<https://torontosun.com/news/national/arbitrator-air-canada-pilots-cant-fly-past-the-age-of-65>.

against the potential income at the airlines and is close enough to that milestone to understand the benefit.

12. Group 3 members include pilots from initial recruiting to completing the restricted-release period. Prior to completing pilot training, group members can change to another occupation with administrative concurrence. The restricted-release period, seven years for members enrolled prior to November 2019, and 10 years after that, begins upon completion of Pilot undergraduate training and awarding of the RCAF Pilot Wings.¹⁰ Group 3 must weigh their desire to become an RCAF pilot with the time to complete the restricted-release period. In this case, a recruit would have 18 YoS at restricted-release completion.¹¹ The restricted-release policy change places the member close to the pension annuity milestone. It realigns the historical (seven years) restricted-release period with the 25-year Intermediate Engagement. The year 2040 will see the results of the policy on retention. However, the policy change may also deter people from entering the system or attrition in the training system for other occupations. A release is also an option, but consideration for payback of university education and engagement contract limitation would weigh into the decision.

13. The pilot groups are as varied in objectives and position as they are with the reasons for release. Several interviewees within Group 1 commented similarly to the DRDC retention survey findings that the impact on spouses and geographic stability are critical issues at all bases.¹² Recently, the Fighter Community has been subject to disproportionately high releases where spousal employment can be difficult due to isolated postings in Cold Lake and language barriers in Bagotville. Group 1's experience leads them to conduct more non-flying activities as they have the operational experience required for staff work, training documentation, any other jobs that require experience, and training new operational pilots when at a Squadron. As a result of their experience, and generally, not at request, this group is frequently placed in non-flying staff positions. Compared to flying positions, staff positions are tedious, lack reward, and are out of an aviator's scope, causing disdain.

14. Group 2 members are the flying supervisors, and retention activities should focus here. This group has similar dissatisfiers to Group 1 but does not have the pension annuity to supplement several years of much lower airline pay. Under the current restricted-release policy, they reach 14 to 15 YoS when confronted with deciding to leave or remain another 10-11 years or more to collect a pension. The CAF has positively addressed this point by offering contract extensions as low as a year on request, but usually, a four-year Continuing Engagement is offered. If members choose to leave, they

¹⁰ Canada, Department of National Defence, CANFORGEN 19/116.

¹¹ ROTP candidate = 4 years University and Phase I Training, 2 year wait + 1 Year on course for Phase II, 1 year for completion including wait for Phase III, 10 year Restricted Release = 18 YoS

¹² Interviews were conducted on former RCAF Pilots. Five are current employees of Air Canada. One was a WestJet Pilot. Three have CAF reserve positions and one has re-enrolled in the Reg Force.

have the best chance of reaching high seniority and reaping the benefits of higher pay and a lifestyle more of their choosing.

15. Group 3 is an important group to consider. It exists in a time of shortages (financial, material and personnel) and long waits and is influenced by the 2021 pay increase and the extension of the Intermediate Engagement contract. In addition, the newer members will also be serving under a 10-year restricted-release policy. This Group is an excellent specimen to follow up with additional research to determine the long-term effects of these factors on retention.

16. Many reasons for leaving the CAF have been presented. Why are the majority staying? Financial stability, comradery, excitement, flying, limited external opportunities. In recent terms, the competitive 2021 pay increase and COVID-19 Pandemic have proven the value of stability with a Government job. Comradery is the one significant benefit that the airlines cannot match. The bonds that people make in the military are lifelong. The excitement of flying aircraft in diverse missions gives pilots the freedom to manoeuvre, unlike the systems management in CAL automated flying. The opportunities in the military are varied and diverse. If a pilot chooses not to fly, plenty of non-flying positions are available, whereas there are few non-flying pilot positions in the airlines. There are many demonstrated advantages to military life; however, the airlines still successfully attract RCAF pilots.

COMMERCIAL AVIATION METHODS OF ATTRACTION

17. Commercial airlines are attracting RCAF pilots using differing methods. Air Canada, American Airlines and United Airlines do not actively recruit experienced pilots; instead, they allow candidates to engage by submitting their résumés. They do not advertise at job fairs or airshows or actively recruit RCAF pilots. However, most major U.S. Airlines support or run aviation academies to feed their company's pilot needs.¹³ Alternatively, WestJet and Southwest Airlines devote a website to recruitment information, employee testimonials and benefits. Emirates' website exudes professionalism and totes the company's culture and ethos. The accompanying multimedia entices potential candidates with family benefits such as healthcare at their company medical facilities and education at exclusive Ex-Pat schools in Dubai. Like the airline, their recruiting website matches their elite status.¹⁴ To contrast this, AC does not advertise or affiliate with aviation colleges. AC is different from most airlines. It relies

¹³ American Airlines Cadet Academy, last viewed 15 January 2022.

<https://www.emiratesgroupcareers.com/pilots/>.

United: Aviate Academy, last viewed 15 January 2022. <https://unitedaviate.com/aviate-program-career-paths/united-aviate-academy/>

Delta: Propel: Pilot Career Path Program, last viewed 15 Jan 2022.

https://propel.delta.com/content/propel/en_US/collegepath.html.

¹⁴ Emirates Group Careers: Join the largest operator of Airbus A380 and Boeing 777, last viewed 15 January 2022. <https://www.emiratesgroupcareers.com/pilots/>.

solely on the pilot candidate's motivation to join their organization.¹⁵ The remainder of this section will focus on AC's unique position for brevity.

18. Canadian commercial pilots strive to make it to AC above all other jobs as many pilots believe that AC is the pinnacle of Pilot employment in Canada. AC's pilot recruiting is propagated by word-of-mouth reputation. This reputation is based on its flag carrier status, history of compensation and benefits, lifestyle and aircraft inventory (opportunity). The CAF's problem is that these thoughts also propagate to RCAF pilots. To counter, the CAF must overturn an ingrained mindset in the early stages of pilot training. The CAF must demonstrate the advantages of remaining in the CAF over CAL. A comparison of benefits will follow.

19. AC's benefits for pilots are robust, including Medical and Dental coverage, vacation time, free worldwide standby travel, buddy travel passes, seniority-based schedule and pension. The former Air Canada Pension Plan (Defined Benefit) was a desirable benefit in the past for RCAF pilots but is no longer available.¹⁶ Pilots joining AC are enrolled in a Defined Contribution plan which is much less secure than the CAF Defined Benefit plan but could be worth more depending on the salary of the pilot's last three years and the success of the pension fund's investments.¹⁷

20. Pay at AC has fluctuated dramatically over the past 20 years due to the company's financial standings and the union's collective agreements. Under the 2020-2024 collective agreement between ACPA and AC, an A320 First Officer (FO) is paid much less than a CAF Captain.¹⁸ An AC A320 FO will never make more income cumulatively than a CAF Captain who stays beyond the restricted-release period under the April 2021 pay scheme.¹⁹ If a pilot releases after becoming a pension annuitant and becomes an A320 FO, the pilot will not break even until year nine. By remaining in the CAF, the

¹⁵ Air Canada: Careers at Air Canada, last accessed 15 January 2022. <https://careers.aircanada.com/>

¹⁶ Air Canada Pilot's Association Collective Agreement 17.03.01. "A Pilot will continue to not have the opportunity to transfer previous military service to Air Canada."

¹⁷ Canada: Employer-sponsored pension plans. <https://www.canada.ca/en/financial-consumer-agency/services/retirement-planning/employer-sponsored-pension.html>. "In a defined contribution pension plan, you know how much you will pay into the plan but not how much you will get when you retire." "In a defined benefit pension plan, your employer promises to pay you a regular income after you retire."

¹⁹ There are two opportunity points to release from the CAF, completion of the restricted-release period, and pension annuitant after 25 YoS that were considered to illustrate the CAF pay advantages. The cumulative total income from a pilot releasing at the first opportunity point, immediately becoming an A320 FO with Air Canada and working for 12 years is \$1.315M. If the pilot remained in the CAF, the cumulative total would be \$1.58M. (Orange shaded cells in Annex A) The A320 FO will not make more money than the CAF pilot except in the 12th year, in which case the difference is \$2500. Effectively, unless the Air Canada FO switches to a heavier aircraft, or to a Captain position the FO will never earn more cumulatively. If either of these cases occur the Air Canada pilot will make more money likely at the cost of lifestyle due to reduced schedule bidding power. The Air Canada figures are using 2024 pay rates (highest in the current collective agreement) and does not include further inflation. This does not take into account per diem (meals) which are tax-free.

pension will be \$114,000, indexed for life.²⁰ Pay is not the most critical issue in retention. However, when pay is not competitive, it becomes an issue, and people leave the organization.

“If employees see compensation as non-competitive, unfair, or simply insufficient to sustain life, their dissatisfaction levels will go up. Your talented people will become vulnerable to talent theft or will begin looking around for something better, especially in a favorable job market. But here’s the rub. While it can be a huge dissatisfier if inadequate, even fair pay won’t keep people who are unhappy in other key areas. So if your talented people do not find meaning in the work they do, if they don’t feel challenged or developed or cared about, a big paycheck will not keep them for long. Researchers over time have found this to be true. Frederick Herzberg and colleagues found in the 1950s that pay is a “hygiene factor” make sure it’s there or its absence will be noticed!.”²¹

21. There are many similar, in some cases, more benefits in the CAF: 20-30 days of annual leave, free uniforms, meal reimbursement when on TD, subsidized university education. However, the main attractions at CAL for the interviewed pilots were better quality of life, career progression and opportunities, job flexibility and power to choose future positions (aircraft preferences, Capt/FO, schedule), work amount versus pay. The latter is a significant benefit. Commercial pilots' only job is to operate the aircraft. CAF pilots have uncountable secondary duties and training unrelated to operating aircraft.²² These are strong motivators and difficult to combat in the CAF, an inflexible bureaucratic organization. Nevertheless, the CAF’s new pay scheme, benefits discussed previously, and COVID circumstances show that the CAF is a competitive employer for pilots. Retention of the last 6% will take great effort to change the quality of life issues and may be unachievable, but for the remaining 94%, the CAF offers an acceptable career and way of life.

²⁰ The second opportunity point where the pilot is CAF annuitant, releases and immediately becomes an A320 FO with Air Canada would break even after 9 years (See blue shaded cells). However, the member that remained in the CAF would also increase the pension annuity to \$114000. The Air Canada figures are using 2024 pay rates (highest in the current collective agreement) and does not include further inflation. This does not take into account per diem (meals) which are tax free.

²¹ Beverly Kaye, and Sharon Jordan-Evans. Love ‘Em or Lose ‘Em, Sixth Edition : Getting Good People to Stay. Vol. Sixth edition, Berrett-Koehler Publishers, 2021. 7.

²² One interviewee left the CAF after being directed to design a course including its multimedia courseware. This was the last draw for this person after similar previous taskings. Commercial organizations would never use expensive specialists in a capacity that could easily be accomplished by lower skilled (cheaper) workers.

CONCLUSION

22. CAL use attractive compensation and benefits to lure pilots. However, the CAF is combating this lure with competitive compensation and benefits that enable the retention of many pilots. Ultimately, organizations cannot make people stay, nor would that be desirable. People will remain in an organization when their needs and desires are congruent with the organization's needs. The CAF must create an environment that promotes it as the choice employer for pilots in Canada. To do so will retain pilots, and it is crucial to maintain RCAF capability as a supported and supporting force to the CA and RCN. Retention of pilots is orders of magnitude more cost-effective than generating new ones. In addition, the immediate loss of experience cannot be replaced with new hires.

23. According to the surveys and interviews, the most prominent reason for disgruntlement was not pay and compensation. The main reason for leaving was quality of life issues, especially family members. If the CAF wants to retain personnel, it must fix these issues. It will require significant funding and time. Will the overhaul funds be greater than the cost to replace personnel? Time will tell.

24. The CAF must continue to evolve. The majority of pilots in the RCAF are helicopter pilots. With the coming shortage of commercial airline pilots, it might be a matter of time before the CAL recruits experienced helicopter pilots as FOs? This would add complexity to this problem and illustrates how it will continue to evolve.

RECOMMENDATIONS

The following recommendations aim to increase pilot retention in the CAF. For further explanations, see Annex A.

1. Market pension benefits and pay benefits to pilots at all levels.
2. Pay Market Wage +.
3. "Free Parking for everyone."
4. Allow Preferred Manning Levels to have overage.
5. Avoid personnel training contracts.
6. Quality of Life complaints should have equal if not more weighting than pay.

BIBLIOGRAPHY

- Emirates Group Careers: Join the largest operator of Airbus A380 and Boeing 777, last viewed 15 January 2022. <https://www.emiratesgroupcareers.com/pilots/>.
- Air Canada, Careers at Air Canada, last accessed 15 January 2022. <https://careers.aircanada.com/>
- Air Canada, Careers Blog, last accessed 15 January 2022. <https://careers.aircanada.com/pages/careers-blog>
- Air Canada, *Agreement Between Air Canada And The Air Canada Pilot's Association Collective Agreement Effective September 30, 2020 – September 29, 2023*.
- American Airlines Cadet Academy, last viewed 15 January 2022. <https://www.emiratesgroupcareers.com/pilots/>.
- Canada. Aircrew Production Brief to Comd RCAF, Update: Fall 2021, 25 October 2021.
- Canada. Canadian Armed Forces Regular Force Attrition by Officers and Non-Commissioned Members, last modified 5 May 2021. <https://open.canada.ca/data/en/dataset/c48a7ca3-8d53-470b-90c9-87decc3801c1>.
- Canada. Canadian Armed Forces. *The 2019 CAF Regular Force Retention Survey: Descriptive Analysis*.
- Canada. Canadian Armed Forces. *The 2019 CAF Regular Force Retention Survey: Qualitative Analysis*.
- Canada. Department of National Defence: CANFORGEN 19/116.
- Canada. Defence Research and Development Canada. Retention & Attrition Research: Overview of the Canadian's Perspective, Maryland, 2010.
- Canada, Employer-sponsored pension plans. Last modified 27 October 2021. <https://www.canada.ca/en/financial-consumer-agency/services/retirement-planning/employer-sponsored-pension.html>.
- Canada. Office of the Auditor General of Canada. *2016 Fall Reports of the Auditor General of Canada Report 5—Canadian Armed Forces Recruitment and Retention—National Defence*.
- Canada. Strong, Secure, Engaged: Canada's Defence Policy, 12.
- CAE, Airline and Business Jet Pilot Demand Outlook: 10-year view, 2020 Update, 4. <https://www.cae.com/cae-pilot-demand-outlook-2020/index.html>.

Delta Airlines, Propel: Pilot Career Path Program, last viewed 15 Jan 2022.
https://propel.delta.com/content/propel/en_US/collegepath.html.

Kaye, Beverly, and S. Jordan-Evans. *Love 'Em or Lose 'Em, Sixth Edition : Getting Good People to Stay*. Vol. Sixth edition, Berrett-Koehler Publishers, 2021.

Mattock, M., B. Asch, J. Hosek, M. Boito; *The Relative Cost-Effectiveness of retaining Versus Accessing Air Force Pilots*, 2019, xii. RAND Corporation, Santa Monica, California.

The Toronto Sun, Arbitrator: Air Canada pilots can't fly past the age of 65, last modified 18 October 2021. <https://torontosun.com/news/national/arbitrator-air-canada-pilots-cant-fly-past-the-age-of-65>.

Rollin, Etienne, Chief of Military Personnel, Director Research Workforce Analytics, DGMPPRA, 2021/2022 Annual Military Occupation Review - Pilot (00183), presented 2 December 2021.

Smith, Stephanie A. *Recruitment, Retention, and Engagement of a Millennial Workforce*. Lanham: Lexington Books, 2019.

United Airlines: Aviate Academy, last viewed 15 January 2022.
<https://unitedaviate.com/aviate-program-career-paths/united-aviate-academy/>

WestJet: Pilot, last accessed 15 January 2022. <https://www.westjet.com/en-ca/jobs/pilot>.

WestJet: More than a paycheck, last accessed 17 January 2022.
<https://www.westjet.com/en-ca/jobs/total-compensation>.

¹ Wikipedia: Preferential bidding system, last edited 21 April 2020.
https://en.wikipedia.org/wiki/Preferential_bidding_system.

ANNEX A – AIR CANADA PILOT SALARY COMPARISON TO CANADIAN ARMED FORCES

Air Canada Pilot Salary Comparison to Canadian Armed Forces

Air Canada Pilot Salary Comparison to Canadian Armed Forces										Canadian Armed Forces									
Month	HO	75	12																
Capt Pay = Hourly Flight Pay, Hourly Mileage Pay, Hourly Weight Pay										Rank									
1.002										ROTP DEO									
Capt										Years of Service									
2021 2022 2023 2024										1 N/A									
EMI \$ 130,841.78 \$ 131,103.46 \$ 131,365.67 \$ 131,628.40										2 N/A									
B-737 \$ 163,755.54 \$ 164,083.05 \$ 164,411.22 \$ 164,740.04										3 N/A									
A-320 \$ 166,208.04 \$ 166,540.46 \$ 166,873.54 \$ 167,207.28										4 N/A									
B-767 \$ 197,077.23 \$ 197,471.38 \$ 197,866.33 \$ 198,262.06										5 1									
B-787 \$ 217,740.15 \$ 218,175.63 \$ 218,611.98 \$ 219,049.21										6 2									
A-330 \$ 211,864.68 \$ 212,288.41 \$ 212,712.99 \$ 213,138.41										7 3									
B-777 \$ 162,229.68 \$ 162,554.14 \$ 162,879.25 \$ 163,205.01										Previous Pay Scale April 2020-2021									
										Monthly Yearly									
All pilots										Restricted Release									
Hourly Base Pay										8 4									
Formula										9 5									
1st year \$19.91										10 6									
2nd year \$21.80										11 7									
3rd year \$23.69										12 8									
4th year \$25.58										13 9									
5th year \$27.42										14 10									
6th year \$29.35										15 11									
7th year \$31.20										16 12									
8th year \$33.19										17 13									
9th year \$35.07										18 14									
10th year \$36.96										19 15									
11th year \$38.85										20 16									
12th year \$40.73										21 17									
Percentage of Capt's Pay										22 18									
Years of Sr FO % of Cap RP % of Capt Flying Pay										23 19									
5th Year 48.00% 28.00%										24 20									
6th Year 49.50% 29.00%										25 21									
7th Year 51.00% 30.00%										26 22									
8th Year 52.50% 31.00%										27 23									
9th Year 54.00% 32.00%										28 24									
10th Year 55.50% 33.00%										29 25									
11th Year 57.00% 33.00%										30 26									
12th Year 58.50% 33.00%										31 27									
Separate Example										32 28									
FO B777										33 29									
5 \$ 174,971.36 \$ 175,321.31 \$ 175,671.95 \$ 176,023.29										34 30									
6 \$ 193,139.72 \$ 193,526.00 \$ 193,913.05 \$ 194,300.88										35 31									
7 \$ 211,535.40 \$ 211,958.47 \$ 212,382.39 \$ 212,807.15										36 32									
8 \$ 231,646.02 \$ 232,109.31 \$ 232,573.53 \$ 233,038.68										37 33									
9 \$ 251,760.63 \$ 252,264.15 \$ 252,768.68 \$ 253,274.22										38 34									
10 \$ 272,698.80 \$ 273,244.20 \$ 273,790.69 \$ 274,338.27										39 35									
11 \$ 294,390.75 \$ 294,979.54 \$ 295,569.50 \$ 296,160.63										40 36									
12 \$ 316,758.71 \$ 317,392.23 \$ 318,027.01 \$ 318,663.06										Max Pension DE \$ 117,600.00									

RECOMMENDATIONS EXPANDED

1. Advertise pension benefits and pay benefits to pilots at all levels. Educating pilots by explaining the total financial benefits of being in the RCAF is a powerful tool that increases morale.
2. Pay Market Wage +. Competitive pay and compensation are essential. Pay must remain competitive to compensate for additional work and flexibility in military operations. The recent pay incentive changes have brought the CAF's compensation levels more in-line with CAL. Time will tell how this has affected retention, especially after April 2026, when members of Group 3 will have increased their five-year average for pension calculations.
3. "Free Parking." The CAF must improve its actions to show that, "We have placed an unprecedented focus on ensuring our people and their families are well-supported, diverse and resilient – physically, psychologically and socially."²³ The CAF has suffered from bureaucratic cutbacks for years that have eroded CAF members' positive support for the organization. Bureaucracy fosters transactional relationships, making the CAF a job versus a career and prohibiting insignificant costs resulting in organizational dismay and distrust. Funding for insignificant costs compared to training personnel like discretionary unit activities, hospitality, and parking. An organization does not value its employees if it does not provide the necessities for completing work, including parking. The CAF must remove barriers that prevent members from working and promote opportunities to show that members are genuinely valued.
4. Allow Preferred Manning Levels to have overage. PML should not dictate recruiting quotas or limits. Turning people away from a recruiting center after learning that a preferred trade is not open is a failure of recruiting. There needs to be flexibility to allow for personnel overages in occupations. If a candidate wants to be a pilot at the recruiting center, let them occupy an overage billet.
5. Avoid personnel training contracts. The military's success is a result of flexibility. While contractors can increase or decrease production and quality, it comes at significant contract processing time and cost. Contracts are inflexible, and continued contracting will produce a rigid, ineffective organization.
6. Quality of life and quality of service complaints should not be ignored but should be of equal concern as pay parity. This paper has shown that quality of life issues are the main reason for members leaving. The CAF must address personnel relocating entirely. High housing costs make moving a major financial woe. When the Government of Canada removed subsidies on housing and instituted market pricing, it destroyed the ability of members to live affordably in many housing markets in Canada. The efforts to give members a Canada-wide Driver Licence are insignificant compared to the impact of housing. Relocation will make people resign, and a plastic card will not.

²³ Canada, Strong, Secure, Engaged: Canada's Defence Policy, 12.