Consciously uncoupling Air Miles and Business Travel

Employers should keep the frequent flyers points "earned" from work trips

"Business travel sucks…..until I redeem my frequent flyer miles," says a T-shirt you can buy here. Let's face it: for some of us sipping champagne in the front of the plane or so driven we treat 4:30am cars to the airport as a badge of honour, that slogan is only half true. It's obvious a lot more wasteful, polluting and unhealthy business travel happens than it should. But as the T-shirt captures, most companies don't know how to manage their frequent flyers. While not quite the telegram vs the trans-Atlantic liner, acclimation to virtual meetings offers the C-Suite a form of automation that can dramatically improve the productivity of high-touch client facing employees.

One reason Companie struggle to limit non-essential travel is because employees can't resist the lure and allure of frequent flyer points. We all…erm…"have friends" who've booked client meetings in far-off places to rack up air miles or achieve elite tier status. As banks, law firms and consultancies tighten their belts, they'll obviously try to limit jaunts and junkets, but the opportunity is bigger. It is to make sure your staff are clearer headed than the Supreme court in judging why they travel

An obvious remedy is ensuring that frequent flyer points for business travel belong to the business and not to the globe-trotting employee. Doing so produces what *The Office*'s Michael Scott (played by Steve Carrell) goofily calls a "win-win-win" situation: good for productivity, good for the environment and good for employee wellness.

The COVID-19 era forced employees to eschew travel in favour of virtual meetings via Zoom, Teams, Webex and the like. While the effects from working from home are still hotly debated,one thing is clear: grounded road warriors experienced newfound productivity. Huge chunks of the day were freed up. No more wasted time in airports and transit. More client interactions could fit into the workday.

Take the capital markets where records for transaction volumes were smashed in the second half of 2020 and 2021. Bankers, lawyers, accountants and advisors flexed to manage the surge in deal flow, often before extra headcount could be onboarded. Pre-pandemic, these professionals would have hopped on flights and,and eventually earned enough miles to fly their families to Bora Bora first class. But COVID exposed the significant productivity cost from much of that travel. Virtual deal roadshows, for example, proved more efficient, accommodating more investors than the travelling rodeos of yore.

Face-to-face interactions are still essential for commercial relationships, and policing business travel to prevent unnecessary trips is as thankless as it is fraught for employers. Ending the common practice of employees pocketing the points for business trips would make their choice between a video call and ten hours on a flat-bed no-braine. It would also save oodles of money.

Many (including our younger selves) would say employees deserve frequent flyer miles as compensation for the inconvenience of travel. Or as a Forbes contributor wrote in 2016:

> Only cheap companies steal their employees' hard-earned frequent flier miles instead of letting their road warrior employees save them up and eventually take a vacation. Stealing miles from employees is a loud signal that says "We control costs here - at our team members' expense!"

But think about it a second - frequent flyer miles aren't like a dog groom voucher offered just for being employed, ,; rather, they are a practical andquantifiable benefit offered for each trip taken. t. Employees are literally being paid (tax free) to take business flights.

Airlines know , "people respond to incentives," as the economist N. Gregory Mankiw points out in his famous ten principles of economics. Frequent flyer miles have different tiers and annual minimums precisely to encourage as many trips as possible within a given timeframe. This equates to both a payment and a deadline to maximise travel.

Our modest proposal is for companies tocapture the economic value of all frequent flyer miles for their employee business travel. That doesn't mean forcing employees to wear a hair shirt every time they hit the road. Employers can negotiate lounge access and maybe even plough some of the cost savings into upgrading hotels.

Beyondenhanced productivity and cost savings, there are collateral benefits in two areas which companies loudly and publicly claim to care about. The first is reducing carbon footprint. According to the European Commission, "[s]omeone flying from Lisbon to New York and back generates roughly the same level of [CO2] emissions as the average person in the EU does by heating their home for a whole year." A champion of best environmental practices ought not to encourage unnecessary air travel. The second area is employee wellness, a massively relevant theme for employers today. Frequent air travel entails all sorts of health risks and it does little for work-life balance.

Didn't we book many family holidays on the miles earned when working for large firms? Yes. Is our flight shaminghypocritical? Perhaps, but as Francois Duc de la Rouchefoucauld once said: "Hypocrisy is the homage that vice pays to virtue." (It reads and sounds better in the original French.) The workplace workarounds used in the COVID era have changed the calculus, and the taboo for virtual meetings has largely lifted.

The time for behaviour distorting frequent flyer miles is over. If done properly it'll be revenue neutral, but staff productivity will rise higher than the sourdough hidden by their virtual backgrounds. Just don’t forget to upgrade the hotels and secure lounge access for road warriors. Companies can support employees’ travel without rewarding it.