Human Resource Management Case Analysis: Air New Zealand Vs. Air France

Abstract

Herb Kelleher, the co-founder of Southwest Airlines who recently passed away in January, once said, “We have a strategic plan. It’s called doing things”. Although quite humorous, what the co-founder of the world’s largest, low-cost carrier said was very powerful and is something other airlines should consider and use in their own work ethic. However, it is easier said than done. There is a lot of hard work and careful planning that goes into running an airline effectively and efficiently. This study will review and analyze the work and methods that the human resource departments of Air New Zealand and Air France put into their companies to make them the best they can be. The purpose of this research is to identify and analyze the human resource departments of two airlines: Air New Zealand and Air France. This research will analyze methods of recruitment, job design, human resource planning, development, performance management systems, reward and salary systems, employee health and safety, employee relations, union structures, and future developments that both airlines utilize for their own business models. The outcomes of this research determined that many of the same human resource methods were utilized by both Air New Zealand and Air France. This study definitively shows the methods used by the human resource departments of Air New Zealand and Air France and show how similar both models are when compared to one another. Research like this is important in understanding how an airline’s human resources department functions from hiring and retiring employees, designing jobs, planning for future developments, and working with labor unions to create a better organization.

Introduction

Air New Zealand. Originally founded in 1939 under the name of Tasman Empire Airways Limited, or TEAL, began the history of Air New Zealand. In 1940 service (with TEAL as the name) began. TEAL’s first flights included flying-boat service between Auckland, New Zealand, and Sydney, Australia. In the 1950s, these routes were broadened. Soon flights were reaching Tahiti in 1951, Los Angeles in 1965, and Hong in 1966 (Britannica, 2019). In the year 1965 the name Air New Zealand was adopted. Air New Zealand became a publicly-traded company in 1989, and from 1996 to 2000, the company acquired the assets of Ansett (Australia’s domestic air carrier). Today, Air New Zealand makes its business from passengers and cargo.

Air France. Air France, founded as Compagnie Nationale Air France, was first formed in 1933. Today, Air France serves all parts of the world. Air France is most famous for the use of the Concorde supersonic aircraft (Airways also used the Concorde). Air France is headquartered in Paris with two main hubs: Paris-Charles de Gaulle and Amsterdam-Schiphol.

Towards the end of the 20th century, a movement started in attempts to privatize the airline. A privatization program then launched in 2002 after the French government agreed to give up its majority ownership in the airline (Britannica, 2019). In 2004 Air France merged with the famous Dutch airline KLM. This created the Air France–KLM Group. The group is now one of the largest

in size of all airline groups in the world.

Human Resource Management Functions

Human resource management refers to the activities designed to provide for and coordinate the human resources of an organization (Rue, Ibrahim, & Byars, 2016, p. 3). Human resource management has 6 main functions (identified by the Society for Human Resource Management):

1. Human resource planning, recruitment, and selection.
2. Human resource development.
3. Compensation and benefits.
4. Safety and health.
5. Employee labor relations.
6. Human resource research.

In short, all of these functions help to look after the employees of an organization and to successfully utilize all of their skills.

HR Department of Air New Zealand. Air New Zealand is a member of Star Alliance. Within the past 10 years Star Alliance has accounted for nearly 30% in terms of passengers and turnover in the worldwide market (International Air Transport Association, 2005). In order to have been this successful, having a solid human resource department was an absolute necessity. Headquartered in Frankfurt, Germany, the human resource department of Star Alliance is responsible for staffing, training, management of benefit, employee relations, and compensation plans within the organization (Star Alliance, 2019).

HR Department of Air France. Air Frances's human resources department strives to make a safe and motivating workplace for its employees (Air France KLM, 2016). They continue creating certain skills in order to make sure the professionalism and employability of their employees achieve the best results. Air France's Executive Vice President of HR, Gilles Gateau, said in an interview, "In HR, our vision is to draw upon the symmetry between how we treat our employees and how they serve our customers" (Microsoft, 2019). What he says implies that how the customers are treated is based on how the employees are treated. If the employees are treated well and taken care of, the customer will be the direct object of the good attitudes and work ethics the employees have from the beginning of their employment.

Recruitment

Recruitment is the process of seeking and attracting a pool of people from which qualified candidates for job vacancies can be chosen (Rue, Ibrahim, & Byars, 2016, p. 113). In most organizations, the recruitment process is handled by the company's HR department.

Air New Zealand. The recruitment process for Air New Zealand is quite simple. The first order of business is the online application. This application gains a general understanding of the applicant just as any other application would. The results determine if the applicant's basic skills and abilities are suitable for that which the airline is looking for. If the application portion is approved, then an applicant will proceed to the next stage which is a recruitment event. This

even gives applicants more information about the job that they have applied for. Applicants will be able to meet current employees and other applicants. This event is put into place to get the applicants to feel comfortable with the company and to gain as much information as they can for their future jobs. The next step in Air New Zealand's recruitment process is the final interview. This interview will be behavioral based where applicants will be asked questions that relate to their experience and skills (Air New Zealand, 2019). The next stage is vetting and testing. In this stage, applicants will complete an online abilities test. They must also pass security, medical, and reference tests in order to move on to the final step which is the offer of employment. In this final step, the applicant will be contacted and offered a position at Air New Zealand.

After the recruitment process, Air New Zealand's newest employees will be put into career-specific training. In order to help new employees on their way, Air New Zealand holds a "development month" annually (Air New Zealand, 2019). This development month provides workshops, resources, and other tools to motivate and inspire employees to create plans for themselves in the company. No matter which career an employee is in, the airline provides job specific training for every stage of their career from brand new to executive manager (Air New Zealand, 2019).

Air France. The recruitment process that Air France uses is very similar to that of Air New Zealand. The first step is an online application through Air France's website. The online application consists of an intelligence test and other general application questions. After completing this application, applicants will receive an email within a couple of days from a representative in the HR department (Air France, 2010). After taking a follow-up test, Air France calls the applicant to set up a face-to-face interview. The interview consists of questions regarding the applicant's skills and abilities. It also includes another intelligence test for the applicant to pass in order to be offered a job by the airline.

Air France's training methods guarantee quality programs of training that provide excellent results at competitive prices (Air France Industries, 2019). These training programs are designed to achieve a harmony between both theory and practice. Their programs are taught by highly-skilled instructors.

Job Analysis and Job Design

Job analysis is the process of determining and reporting pertinent information relating to the nature of a specific job (Rue, Ibrahim, & Byars, 2016, p. 68). Job design is the process of structuring work and designating the specific work activities of an individual to achieve certain organizational objectives (Rue, Ibrahim, & Byars, 2016, p. 68).

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