

## **Description of Qantas and HRM Activities**

The Qantas Airways is the largest airline in Australia. Its Human Resource Management operates in the company in four major areas, which are business segments, corporate, shared services, development, and learning. This report gives limelight to the Qantas airways HRM and its role in ensuring perfect operations of the company. It further discusses change management and job analysis and design. The company has undergone intensive change management such as cutting of prices and labour costs in order to ensure high productivity, moderation of wages as well as the introduction of flexible structures through a versatile and motivated workforce. Moreover, the HRM is also responsible of ensuring that right people are hired and given necessary training under job analysis and design. However, despite the roles that the company has entrusted the HRM, there have been heightened cases of accidents and strikes from dissatisfied workers alleging that they are paid meagre salaries. This shows a HRM gap in delivering its responsibilities. Therefore, the report further argues that the HRM has failed in its change management and job design and analysis strategy. In order to correct the situation, the report further proposes that the HRM change its training and communication model. As a means to an end, the report discusses some of the implications emerging from the HRM problems and ends with a comprehensive summary.

### Description of Qantas and HRM Activities

The Qantas Airways is Australia's largest airline. It has a solid history as it began its business years back by transporting passengers and mails. Today, the company has expanded its operations in almost 140 destinations across the globe. It is Australia's largest employers with around 37,000 employees. The human resource management operates in the company in four major areas, which are business segments, corporate, shared services, and development and learning. Under corporate level, the HRM is responsible for employees' remuneration as well as benefits, the industrial relations of the airline with its competitors and development of the management. In the business segment level, the HR teams often collaborate with other business segments to ensure successful delivering of strategies that will ensure competitive advantage. Human resource has a major responsibility in the company and under shared services; the HRM is responsible of managing workers records, supporting remuneration and recruitment process and managing employees' compensation as well as coming up with strategic plans on staff travelling schedules and schemes (Belobaba, Odoni and Barnhart, 2009). Finally, under the learning and development level, the HRM comes up with training programs for employees to help them deliver their work effectively.

## HR Functions; Change Management and Job Analysis and Design at the Qantas Airways

### Discussion of Two HR functions in the Qantas

#### Change Management

The Qantas airline was formerly owned by the government hence did not perceive efficiency and profits as its prime goal (Rothkopf, 2009). After its privatisation in 1995, the HRM had to adopt various management practices in order to overcome the company's external and internal influences.

The HRM in their change management has emphasised on cutting costs and more so reduction of labour costs to guarantee heightened productivity, moderation of wages as well as the introduction of flexible structures through a versatile and motivated workforce (Marks, 2007). Cutting labour costs in the Qantas airways have involved strict measures from the HRM such as reducing wages and salaries through eliminating costly practices (Hernandez, 2011.).

The Qantas airline HRM has undertaken immense changes in order to cope with diverse external and internal factors (Gillen and Morrison, 2005). Various factors led to changes in the HR management such as the need to have more profits in the company and the fact that the company was under government ownership. This means that the airline had maintained its authoritarian hierarchical structure, autocratic form of leadership, and strict procedures and rules (Hughes, 2012).

In addition, the airline has been involved in a major change as far as training is concerned and in 2003, the HRM facilitated in the expansion of the company's apprenticeship programme (Gunn, 1988). According to Kirkpatrick's model of learning and training, training helps in ensuring affirmative results (Kearns, 2010).

#### Job Analysis and Design

Job design and analysis is the cornerstone of the Qantas HRM. Job analysis can be viewed as the hub of all human resource management activities that are needed for effective organizational functioning (Berman et al, 2009). Under job analysis, the HRM is responsible for planning, recruitment, selection, placement, and induction of workers (Berman et al, 2009). The procedures that are often supported by job analysis process include personnel selection, training, job evaluation as well as performance appraisal (Berman et al, 2009). In addition, the process of job analysis supports the Qantas organizational strategy in dealing with market competition and talent crisis. According to human resource theory, strategic HRM focuses on connecting all HR functions with organizational goals (Rothwell and Benschoter, 2012).

The Qantas airline HRM in the process of job analysis determines various training needs of workers. Moreover, in job analysis process, the HRM determines on some of the things that affect behaviour in the company.

After job analysis process, the next step is job design, which aims at outlining and organising duties, responsibilities, as well as tasks in a single unit in order to achieve particular objectives. Job design in the Qantas airways is essential in enabling effective feedback. In addition, training is an imperative part in job design in order to make sure that employees are conscious of their work demands. Training encompasses leadership training to employee orientation (Aulenbach, 2007). Development and training plays an imperative role in ensuring success of a company. Today, most organisations view training as an imperative role of human resource (Price, 2011). From research conducted, it is apparent that most organizations such as the Qantas airways are spending a lot of money on training with a belief that it will consequently give them a competitive advantage in both global and local market (Jackson, Schuler and Werner, 2011). According to human resource theory (Bacon et al, 2009), workers need maximum support from human resource function. In that case, the Qantas airways offer training to staff in order to motivate them as well as ensure competitive advantage in the company. Frances (2009) avows that training is imperative in ensuring imperative piloting skills. In 2009, the company opened approximately \$10 million staff training centres in an effort to build on economies of scale. The HRM through job design help the workforce to make vital adjustments.

#### Problems and Implications Faced by Qantas

Although the two major basic functions of HRM is to ensure successful change management and job analysis and design, the Qantas airline has undergone through various challenges in these two areas. The HRM in their change management focused on cutting costs such as labour costs in order to increase productivity, ensure moderate workers' salary and introduce flexible structures. However, they have failed in ensuring effective and non-biased change management. This is because, workers recently have been complaining of being paid meagre salaries and even gone for strikes. Under change management, they should have ensured successful remuneration of employees. However, it is embarrassing to note that a reputable company like Qantas with such successful change management strategy has failed to take care of its employees. The unsolved salary issues have caused employee outcry and various scandals in the company. The pilots have been protesting over meagre salaries and the union workers have continued to demonstrate over pay inequality arguing they are paid 25% less than their equals in Victoria (Hernandez, 2012). In a survey that was conducted in 2012, on three thousand Qantas employees, the workers expressed dissatisfaction with the management of the company mostly the HRM (McDonald, 2012). Serious staff challenges have continued threatening the company yet up to now the HRM is still reluctant to come up with a new

change management model such as ADKAR model that will cater for the interests of workers and allow the company to focus activities on particular business results (Hiatt, 2006).

Under Job analysis and design, it is apparent that the HRM made immense mistakes in choosing the right candidates. Despite heavy training programs that the HRM has invested in during job analysis and design process, it is only in 2008 that the company was involved in an in-flight incident, which caused serious injuries to passengers and death of 129 passengers due to specious commands (Frances, 2009). In addition, it is apparent that training has not had a positive impact in the company since in 2006, the Qantas Airways pilots failed to monitor their position hence ended up to the wrong runway. Moreover, in 2009, the company's pilots failed to acknowledge and decided to overshoot their destinations by 150 miles (Frances, 2009). Frances (2009) alleges that captains in the company are not competent enough as they lacked knowledge on use of stick shaker and stall recovery thus causing serious accidents. It is hence clear that the HRM department leaves a lot to be desired as incidences have continued to intensify despite the company's change management and job design and analysis strategy (Louise, 2011). With such a successful airline company, it is apparent that its HRM is ineffectual and has only led to losses than success. The company asserts that it is committed fully to developing its people, yet they do not seem to know how they can forge a beneficial relationship with its staff. There has been a lot of change in the company including cutting of costs, developing training programs, outsourcing working rules and regulations, collaborating with the unions yet the situation seem to be moving from bad to worse. It is apparent that the HRM has been incompetent in hiring the right personnel and dealing with employees.

#### Implications to Stakeholders

Various stakeholders include trade unions, government, shareholders, customers, community, business partners, employees, the media, and non-governmental organisations. They all have a major influence on the company's performance and its strategy. The media coverage on wrong decisions in the Qantas have affected negatively on the company's image. The problems discussed obviously imply that the HRM, shareholders, and business partners have been reluctant in solving the current crisis hence affecting the performance of the company. Because of the accidents reported, most consumers are not keen on using Qantas airline hence affecting profitability (BBC News, 2012). Additionally, the challenges in the company have also affected employees and consumers on grounds that they have lost confidence with the running of the company (Sandilands, 2011).

The looming disagreement between Qantas and its pilots shows clearly that the HRM and business partners have failed in ensuring they contribute in effective management of the company. In addition, the Non-governmental organisations have failed in conflict resolution between the Qantas and its employees. It is apparent that the HRM, business partners, and

non-governmental organisations involved have failed in coming up with rational solutions to ensure such current disputes do not develop into a major crisis. Instead of the company's CEO, Alan Joyce holding productive talks, he has been busy making provocative comments in numerous heated exchanges. For instance, he condemned union members on issues regarding wages arguing that their talks and protests were baseless (Bamber, 2011). The union leaders in return criticised senior managers and accused them of tarnishing the brand image of the company while they were awarding themselves hefty salaries. This hence implies that the community as well as Union members have lost confidence on the company's stakeholders and this in return has led to bad publicity and reduced profitability. Consequently, the media has given a wide coverage on the company's latest controversies meaning that it is benefiting financially because of the developing story.

It is upsetting to see Qantas' employees go on strike due to poor management issues in a company owned by various stakeholders. The shareholders, business partners, the HRM, CEO, and Nongovernmental Organisations have a major role to play in ensuring issues in the company are resolved and the company goes back to its initial profitable situation. Therefore, they need to sit down and come up with a rational plan towards improvement (Bamber, 2011).

#### Action plan and Recommendations

With the increasing incidences, there is hence a need to come up with an action plan. First, all the stakeholders must meet to discuss on ways to solve the recent crisis. In the meeting, there will be change of communication and training model to more rational models that are employee oriented. The HRM will carry out the process and engage other stakeholders to give ideas on how salary and training issues ought to be handled. The change process will take place from 1st to 28th November in the company's boardroom. To carry out the process, the employees will be interviewed in order to show some of the areas they would need change. The entire company's workforce and managers will be given information concerning the changed plan.

The recent problems involving HRM function has caused the company to suffer financially. The Qantas airline in their website asserts that, "Qantas is committed to providing meaningful jobs with competitive salaries and superior benefits" (Qantas, n.d). However, they have failed in fulfilling their promise as the strikes reported tell a different story. In addition, they allege that they "provide targeted, quality training to the Qantas group and assists in the development of skills" (Qantas, n.d). However, the accidents reported show a major gap in their training strategy. The HRM should revisit their training and communication model and make a change on it. It is time the company moved out of a market approach change strategy that only focus on making profits and focus on employee oriented approach that consider the interests of workers. With an effective training model, there will be workshop and focus group sessions

where employees air their grievances and come up with solutions to their problems (Frances, 2009). In addition, effective HRM communication should contribute successfully to teamwork, learning, innovation, safety, and productivity (Krizan et al, 2010). Moreover, the HRM should invest heavily on their pilot candidates and ensure that they get the right training. Coming up with a HR strategic oriented communication model is important in guaranteeing that employees are at par with requirements and needs of the company. This will help in discussing paramount issues affecting the running of the company. Once there is fit between communication and training model in relation to the role of the HRM, the next step should be to come up with a tactical plan on how the HR will be managing their roles to ensure there are no more scandals. The HR needs to be involved fully in daily operations of the company to ensure alignment with needs of the employees. Moreover, the HRM should come up with performance management plan, which is imperative in following up on the performance of the staff members.

The HRM should also be transparent in its strategy. This means that the company's operational and strategic agenda should be communicated clearly to workers and must be accepted. This will ensure employees' needs are met and there are no operational challenges. In addition, its mission should be shared with other shareholders to make sure they are on the right path to correcting the image of the company.

Today's HR models recognise on the fact that people do not leave their issues at home when they are going to work. For the company to be successful, it should focus on the needs of the workers whether personal or professional. This will motivate the workers to deliver quality work. In that case, there will be less accidents and remuneration problems in the company (Frances, 2009). In addition, in training sessions, the HR should focus on changing staff members' attitude towards work and teach them on how to have a positive attitude. This will help in motivating workers and encouraging them to air their grievances through dialogue.

## Conclusion

Similar to other managers in an organisation, HRM has various functions. The HRM ensure successful change management and right people are hired in various ranks. However, the HRM has failed, as there have been increased cases of strikes from discontented workers. Additionally, there have been numerous accidents reported in the company. To avoid such incidences in the future, it is important for the company to change its communication and training model. In addition, they should be transparent in their operations and involve other stakeholders to ensure they are trending on the right path. This will help in reducing accidents and strikes from dissatisfied employees.