

FLIGHT PLAN

CREW CUT!



THE ART OF KEEPING QUALIFIED HANDS HAS GONE BEYOND OFFERING FAT SALARIES

By PRASAD SANGAMESHWARAN

In early-August an airline scam came to light when the Mumbai police arrested the mastermind who had launched a fake airline, FA airways. Behind the plot was an interesting HR story. While Narendra Goyal (fictitious name adopted by the criminal) had duped close to 200 individuals of amounts ranging from Rs 25,000 to 50,000, some of the victims were not the inexperienced lot who would give an arm and leg to join an unknown airline. According to the police, some of the applicants worked for Indian national carriers.

Why do employees of established airlines, decide to work for an upstart, that could get grounded even before its first flight? The answer: India's airline industry is growing fast. Growth comes with bad company – a critical shortage of skilled people to run a highly complex business.

To combat the shortage of pilots, most of India's airlines are hiring foreign talent, sometimes paying them a premium over the Indian pilots (that partly triggers attrition of Indian pilots). But that does not explain the attrition of expatriate CEOs.

Then new airlines poach talent from

existing airlines, but there is no guarantee that their recruits will stay. This is not just the story of Indian aviation. Even in BPOs, IT companies, retail, or even media, employees quit for reasons that lack a strong rationale – sometimes swapping jobs because everybody else is.

To be fair, airlines are doing their bit to keep their flock together. Not just with fat paycheques, but also with new flying machines, investments in training and so on. But is that enough? *Open Sky* tossed the issue to two consultants; Innovation Analysis Group, a travel and airline

consulting outfit located in the US and Hay Group, a global management consultancy specialising in HR. And if you were among those who thought no two consultants say the same thing, you may be in for a surprise.

the best aircraft and latest technology).

Addison Schonland,
Partner, Innovation Analysis Group

India's airlines have ordered aircraft way in excess of their ability to crew them

(an especially good example for India) makes a lot of money with its night owl flights. This also ensures very high usage of the plane (14 or more hours per day).

- Pilots plan based on whatever information that they have. Their talent is



Gaurav Lahiri,
Operations manager, Hay Group

In most cases, employees never leave the company, they leave their boss. At present, loyalty is not a virtue that the younger workforce understands. In volatile industries like aviation, the leadership must ensure that managers inspire, rather than perspire the workforce. They must focus on developing leadership and cultivate a higher level of emotional intelligence among employees. Singapore Airlines, for instance, has focused on developing emotional intelligence amongst its employees. When their employees handle agitated customers, they manage the situation in a sensitive manner. Supervisors do not lose their temper on subordinates even in trying circumstances.

That's a key to reducing attrition.

- Create employee engagement models that looks at individual career advancement in the long term and outlines the road map on how to get there.
- Focus on rewards like remuneration, attractive fixed and variable pay schemes and so on.
- Offer the right quality of work. If employees are satisfied professionally, they stay on.
- Work life balance is important. Employees must not spend a disproportionate amount of time at the workplace.
- Values and ethics of employers inspire employees. Ensure that your company sends the right signals.
- Provide the right enablers (in this case,

with Indians. India cannot produce enough qualified hands to cope with the aircraft orders placed. In the US, airlines typically have 14 pilots per plane. By this account, India needs thousands of pilots for its new aircraft orders. We expect more deals like the foiled Jet-Sahara merger. The main reason for this will be crew shortages.

In the short term, airlines will also pay a lot for the best talent. During the go-go years of rapid growth, airlines can manage this, because revenues grow faster than costs. When growth slows, problems kick in. By then, the emboldened pilot unions develop high expectations. However,

global and goes where the money is. In West Asia most pilots are expatriates. But, pilots also love new aircraft and new technology. India will have more than its share of new aircrafts. If they see a growing airline and they are busy, they will get on with the job.

- One thing airlines must watch is their HR policy. With staff poaching, it is very important to have a consistent policy on hiring and retaining staff. Airlines may have to offer the pilot union a stake to keep them loyal. This is becoming increasingly common.
- On the other hand, once mistrust creeps in between the management and

The aviation leadership must ensure that managers inspire, than perspire their workforce

revenue growth does not support that and the fight begins.

However, by the next decade, the supply of Indian pilots will grow and make Indian aviation less dependent on foreign talent. Pilots around the world are typically trained to a common standard. But cultures are pervasive. So watch out. Korean Airlines had a crash when an Aussie first officer and a Korean were arguing over a landing.

- Pay the highest you can to acquire talent from anywhere. Airlines with the most crews win, as they can offer the most flights.
- Fly at every hour of the day. Night flights are great and India is big. GOL in Brazil

crew, it spells trouble. The airline industry is replete with examples of a disconnect between the management and crew. The customer loses every time this happens and equity values plunge.

The best airlines also update pilots on the airline's financial performance. Poorly run airlines are those where the information flow is restricted. For best practices look at European airlines in the present context.

- Companies develop cultures. It is important that managers respect their staff, the same way they treat passengers. After all, the employees in uniform are customer facing and probably deserve the best and most respect internally. ✈️