

Highlighting the problems existing in ryanair

[Environment](#), [Air](#)



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The following case is on a report submitted by me to the MD of my company highlighting the problems existing inside my company, RyanAir.

The company is a no frills airlines providing low cost airfares and one of the best in its field but there is a major problem existing inside the company that is the problem of HR, employee satisfaction and motivation are the problems faced by the company which result into the poor service and unsatisfied customers.

Human Resource managers around the world rarely agree on the best way to motivate staff at work. However, the problems that can arise when staff is unmotivated ensure this will continue to occupy a great deal of

management time and attention. In both Hospitality and Tourism sectors this is especially controversial, with the major problems of seasonality and low pay contributing to the mix.

The problem issue was highlighted through different communication methods and there were some developments done by the MD through which I tried my best to convey the information properly to him and he can take a proper decision to resolve the issue and prevent the company from loss and destruction.

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INTRODUCTION:

Ryanair was the first budget airline in Europe, modeled after the successful US carrier, southwest airline. And now it is the World's favourite airline and operates more than 1, 400 flights per day from 44 bases and 1100+ low fare routes across 27 countries, connecting 160 destinations. Ryanair operates a fleet of 250 new Boeing 737-800 aircraft with firm orders for a further 64 new aircraft (before taking account of planned disposals), which will be delivered over the next 2 years. Ryanair currently has a team of more than 8, 000 people and expects to carry approximately 73. 5 million passengers in the current fiscal year. Working on the low cost strategy of it has been one of the most profitable airlines of the world.

PROBLEM ISSUES:

Taking a closer look at the company's situation we can identify the issue going on with its employees.

Ryanair's industrial relations with staff, especially its pilots, are fraught. The company has come under fire for refusing to recognise unions and allegedly providing poor working conditions, for example: staff are banned from charging their own mobile phones at work to reduce the company's electricity bill.

Ryanair has also bullied pilots to force them to agree to new contracts, where pilots would have to pay costs of €15, 000 for retraining on new aircraft if they left the airline, or if the company was forced to negotiate with unions during the following five years.

And there are several cases going on in the court against the company for pilot victimization. This problem is not only harming the reputation of the company but making the workforce unhappy which is leading new talents of the industry to think once before entering or applying into Ryanair.

It is clear that Ryanair cabin crews are not getting the wages they deserve for the hard work they put in. Long flight hours, little rest time, all of this deserves better pay and proper compensation. Staff in workplaces with a union and a collective agreement gets better pay and conditions, and better income. This is true for most full-service airlines as well as low-cost carriers. Easy jet for example has a collective agreement, and staff earns better. cheap flight tickets might not be enough in the long run to be successful as a no frill airline business. There are different no frills airlines and many of them do not suffer from such a dramatic high turnover as Ryanair does it certainly does not mean that operating as an inexpensive airline gives them the right to undervalue their employees.

Evaluating all these factors we can identify clearly that the problem issue with RyanAir is with its HR that is unsatisfied and demotivated employees inside the organization.

Reasons for the choice of the issue:

Ryanair's is a "no-frills" airline but it has a high turnover according to Shay Cody, the deputy general secretary of the Irish trade union Impact Ryanair has a very oppressive regime and they have extremely high staff turnover, particularly among junior pilots and cabin crew. Staff are expected to pay for their own uniforms, crew meals and training courses. It requires staff to pay as much as £2,700 upfront for training.

The employees and especially the cabin crew of Ryanair tend to be not dealing nicely with passengers. What the cause is, the employees themselves work hard and are undervalued and have to work many hours without a break this leaves them exhausted and stressed and makes it hard for them to deal nicely to passengers. Not only will there be a high turnover but also Ryanair might lose more customers over time because of the bad customer service of the unmotivated and tired employees.

Many workers from the United Kingdom have left their jobs with Ryanair and as result the company is recruiting now contract labour from agencies as far away as the Baltic States and Poland. Pilots were recently told that in order to graduate from older planes to newer aircraft, they would have to pay for their own retraining. This training problem and unhappy staff effect the service to the customer as there are a lot of complaints about the company's

service also which is a sure result of the untrained and unhappy employees who are not treated well and are already agitated.

It is said that:

“ if you will pay peanuts, you will get monkeys”

Not only this all this is causing a lot of reputation problem about the company and the fresh talents of the industry does not want to join the organization or will surely think once before getting into the organization.

So this issue is a very crucial one to be taken into consideration if the company wants to maintain its position in the market and its employees to be satisfied and become loyal to the organization.

COMMUNICATION METHODS:

The various communication methods are as follows:

Article: (Bowley, 2008)

Newspaper: (Financial Times, 2006), (Done & Braithewaite, 2006)

Case study: ©Eleanor O’Higgins, 2007

Website: (Complaint Board, 2010) (RyanAir, 2010)

Development of communication method:

From the above discussion we can see quite clear picture of what is going on inside RyanAir inside the world’s most profitable airline but still in order to make the picture more clear with the approval of my MD who evaluated my

report and suggested to go for this method I did a survey with the employees of the company in order to find out whether if they are really unhappy with the working conditions and pay. (RAO, 2010)

The survey was conducted through questionnaire keeping in mind the confidentiality of the identity of employees because being an internal survey employees will hesitate to provide information unless they are assured that their identity won't be revealed.

The result were quite similar with what I have presented in the earlier evidences the employees were absolutely unsatisfied with what they were getting from the organization, running just for profitability won't take the company anywhere and the company have to take care of their most important asset that is their employees which it is not doing at all and the results are in front of it, cases, high employee turnover, poor service to the customer, strikes and this all will not lead the company to a better future.

In order to support my argument and points further about the issue I am doing an situational analysis of the company to find out where the problem exists.

4. 1 APPLYING THE EXPECTANCY THEORY TO SUPPORT THE ISSUE:

The theory states that the intensity of a tendency to perform in a particular manner is dependent on the intensity of an expectation that the performance will be followed by a definite outcome and on the appeal of the outcome to the individual.(Dubrin, 2008)(For details refer Appendix1)

So according to this theory the tendency of working hard or perform well comes with the desire of a possible reward that is expectation of something according to the hard work done and if the employees didn't get the same they get demotivated as well and this is the case with RyanAir the employees are underpaid and are not treated as an important part of the organization which make them stressed and unable to concentrate on work which results into the poor service, turnover, strikes etc.

This theory clearly states that an employee needs a source of motivation to satisfy its needs and the biggest motivator in the world is money and biggest demotivator is also money because you work for money and we are unhappy if we get lower than we deserve or expect.

Conclusion:

The case presented above is a discussion of how RyanAir is facing the problem issue of employee satisfaction and motivation, due its unreasonable rules and laws the employees are highly demotivated and unsatisfied which is an issue to be taken into consideration by the MD and with due hopes I am presenting the provided information so that he can come on a proper conclusion and take necessary action on the same.

RyanAir is only operating for profits and is ignoring its manpower to its full which is not harming its relationship with its employees but also harming its reputation in the industry which will lead the company towards a situation where none of the talents of the industry will apply or try for the airline, the demotivated and unsatisfied staff is not working with their full efforts which

is creating more and more unsatisfied customers and bad experiences follow with people advising their peers, friends and relative not to fly with RyanAir.

The report for the problem issue was followed by different communication methods in order to satisfy the need of providing information about the existence of the problem issue which were newspaper, articles, case study, website but after the presenting of the report to the MD he suggested to add one more method of survey and conduct it in the company to know if the employees feel the same but he should have thought that an internal survey will not be a good idea because employees will feel uncomfortable and insecure providing this kind of information against the company which actually happened while conducting the survey instead of the fact that the identity will not be disclosed and they need not fill up their name etc in the survey questionnaire but still resistance was there although maximum of the employees co operated with the same.

The information provided above is apt and sufficient enough as my knowledge to get the proper view about the existing problem issue and the how devastating the results could be if the management didn't accordingly with the present market situation to rectify it and stop it from destroying the company.

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