

Pay disagreements between cathay pacific airways and cathay's pilots and flight a...

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



The issue that I am going to examine is the two pay disagreements between Cathay Pacific Airways and Cathay's pilots and flight attendants. The Court of Final Appeal ruled that under the employment Ordinance, Cathy must include certain allowances and a commission in addition to the basic salary when calculating its cabin crew's pay during statutory holidays and annual leave (Chiu, 2012, para. 3). Another judgment is the Court of Final Appeal ordered Cathay to pay HK\$850, 000 in damages to each of the 18 pilots it sacked over their 2001 industrial action (Chiu, 2012, para. 11).

From the first judgment, it indicated the dynamic human resource management environment. The three flight attendants who filed the lawsuit are from the Cathay Pacific Airways Flight Attendants Union (CPAFAU), which is the trade union of the cabin crew employed by Cathay Pacific Airways Limited. The lawsuit shows that the unions become a third party to deal collectively with their employer. In my opinion, a union is an effective way to deal with the employer. This is because the more the employees joined in the union, the larger the bargaining power to the employer.

From the case, the three flight attendants used about four years to deal with the lawsuit and it started from the claims lodged with the Labour Tribunal. The CPAFAU serve as an important role to contribute in the lawsuit since it pay for the cost of legal consultation. Cathay Pacific Airways also have a staff called Manager of Personnel Strategy & Relations to cope with the human resource management of the company, such as dealing with the union to maintain employee and labour relations (Apple Daily, 2009).

Besides, legal consideration is also one of the factors in the environment of Human Resources Management. The companies in Hong Kong should follow the local legislation, such as the Employment Ordinances and Minimum Wage Ordinance in Hong Kong. According to the lawsuit between Cathay Pacific Airways and the three flight attendants, the Employment Ordinance ruled that Cathay should include commission on duty-free sales and allowances for line duty and ground duty when calculating its cabin crew's pay during statutory holidays and annual leave (Chiu, 2012, para. 4). It shows that the legislation will affect the human resources management, for example the compensation.

From my point of view, the legislation can protect the right of the employees. According to the Employment Ordinance Chapter 11 Protection against Anti-union Discrimination, every employee shall have the rights to take part in the activities of the trade union at any appropriate time, if the employee is a member or an officer of a trade union. An employer shall not dismiss, penalise or discriminate against an employee for exercising the above rights. In the lawsuit between Cathay and the 18 pilots, the Court of Final Appeal ordered Cathay to pay HK\$850, 000 in damages to each of the 18 pilots, including HK\$150, 000 each for dismissing them on grounds that they took part in work-to-rule union activities. It shows that the Employment Ordinance protect the employees to take part in union activities like industrial action (Chiu, 2012, para. 12).

I suggested that the Cathay Pacific Airways should follow the judgment of the Court of Final Appeal. This is because the lawsuit is known by the Hong Kong

people, especially those of the potential employees. It may damage the perception of the potential employees over the company. They may think that Cathay Pacific Airways do not value their employees. Therefore, the potential employees may not consider Cathay as a good employer and it may affect the recruitment of the company. Moreover, the existing staff may lose the morale to work and it may affect the service quality indirectly. To conclude, the environment of human resource management is dynamic and it is affected by many factors like legal consideration and unions.