Efficiency reward management in british airways

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Competition in the airline industry has gone global and the market and industry dynamics have necessitated the need for companies to make concerted efforts streamlined towards ensuring that high quality goods and services are offered in the market at competitive prices. This has resulted in the adoption and implementation of several tools and strategies by British Airways geared towards the aforementioned goals attainment. One of the strategies that have been soundly embraced by British Airways is the effective and efficient management of human resource department in regards to the selection, recruitment and satisfaction of employees. This has been attained through an emphasis on work site wellness program within the company. These initiatives are aimed at enhance performance management within the company.

Company Overview

Stiff competition has pushed the airline industry to attain very high levels of service quality to their customers. British Airways has been left outside the bracket in this push to smoke away competition and remain a top provider of airline services. The market expectation levels are expected to improve with the increase in the complexity of travelers' demands. British Airways has recognized that employees from its most prized assets and has attached the capacity to improve its performance on the ability to effectively and efficiently manage it's of human resource department.

The pivotal challenge faced by the company is its inability to become a truly transnational airline. The recent economic crunch, political uncertainties in the Middle East and managerial problems have negatively on its ability to

improve on its current performance. However, despite the above challenges, Yahoo Finance (2010) illustrates that net profit for the company has improved from 72m Pounds in 2003 to $438 m in Pounds in 2007 and the earnings per share increased from 6. 7 pence to 37. 2 pence within the same period.

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Reward management

Chew and Teo (1991) state that " a reward system expresses what an organization values and is prepared to pay for; it is governed by the need to reward the right things in order to convey the right message about what is important in terms of expected behaviors and outcomes." The importance of HRM has increased with time and the need to properly manage people is becoming a central focus within organizations today. This has precipitated competition amongst various organizations seeking to portray the best skills in people's management. This has defined a new role for line managers whose roles in organizations have shifted from the traditional supervisory role to more advanced people resource management. To effectively take efficient steps in the recruitment and selection, employee relations, reward management, appraisal and performance reviews, line managers must receive the support of the HR specialists. The above discussions illustrate the high levels at which British Airways as gone to enhance high levels of performance through better rewards management.

Reward systems within organizations are always based on how one's value to the organization. " It is concerned with both financial and non-financial

rewards and embraces the philosophies, strategies, policies, plans and processes used by organizations to develop and maintain reward systems." Most organizations make use of the term " compensation" to refer to " pay" or " remuneration". There has been a noted problem with the term compensation in that it means rewards to the employee is only " for making amends for the distasteful fact people have to work to make a living". In the analysis of Chew and Teo (1991) proposition " for most people work is, in the main, a source for disutility, and they therefore require payment to compensate them for the time they devoted towards it". While this argument is true in its literal sense, it however fails to provide a complete definition of pay philosophy. This is because pay philosophy should take into consideration one' competence and contribution, not just compensation simply because some none has worked for it. In appreciating that employee rewards takes into deep consideration of the organization's integrated policies and practices, rewards are best given according to market worth of an employee. In addition to that, the one's contribution, skills and competence should also form central measurements under which rewards systems can be based. The rewards scheme runs through the culture and philosophies of an organization and is developed within its framework with the aim of maintaining the best levels of pay, benefits, compensation and other forms of rewards.

According to Carter (1988), " reward system consists of financial (fixed or variable pay) and employee benefits, which together comprises the total remuneration." In addition to that, rewards system also encompasses non-financial components that include (recognition, praise, achievement,

responsibility and personal growth). The non-financial components of rewards system also include performance management systems (Lafferty & McMillan, 1989). The combination of the two; financial and non-financial rewards forms the total reward system. Deeper analyses of the reward systems reveal that it has five more components that include processes, practices, structures, schemes and procedures (Heskett, Sasser and Hart, (1990).

The successful design, development and implementation of management decisions are very complex and at times daunting tasks for many managers especially when managing the most prizes assets of organization-employees. Usually, managers will be faced with daily problems that require the application of tools that will ensure for the successful operations irrespective of the sectors they manage such as the identification of the objectives of the organization, alternative means of achieving the stated objectives and the selection of the means that accomplish the objectives in the most efficient manner. The first process in the decision making process will entail the identification of the problem. The problem in dealing with employee rewards for the optimum benefit of the organization must enhance the ability of the organization to effectively achieve its objectives. Ideally, successful identification of the problem will encapsulate trying to delineate answers to questions such as what could be the causes of the problem, where this is happening, how it is happening, when it is happening, with whom it is happening, and why it is happening (MacNamara, 2008). In essence, this should be followed by an in-depth analysis of the delineation of the complexity of the problem, verification of the understanding of the problem;

prioritization and understanding the role to be played towards the redress of the problem (Collins, 1987).

In recognizing the fact that an organization's performance depends primarily on the quality of its management and employees, line managers appreciate the role of reward in improving the quality of management through generous rewards. British Airways knows that rewards alone cannot play the sole role of management quality improvement but this process demands with it a number of other factors for it to be fully realized. This is because, " the culture, values, and management style of an organization, together with its performance management and employee development programs are equally important" (Bureau of Tourism Research, 1989). It is therefore true that reward management forms an integral part of quality management but cannot stand alone in an organization in ensuring quality management.

Reward management is one of the central management issue British Airways top management has over the year managed excellently. Effective reward management not only motivates the employees but also depicts harmonious management style the company is applying to capture and succeed in the market. In addition, the recruitment and retention of best talents take precedence in the business. According to Debrah (2005),

The reward or compensation people receive for their contribution to an organization includes monetary and non-monetary components. Remuneration does not simply compensate employees for their efforts – it also has an impact on the recruitment and retention of talented people.

In this regard, reward management within British management calls for brilliant strategies to ensure that it succeeds. Towards this, the company has employed a number of strategies to help successful implement this program. These strategies include controlling reward, monitoring and evaluating reward theories, managing development of reward system, devolution of line mangers for responsibility for reward system (Hollings, 1998).

Controlling reward

British Airways has got a good reward management control strategy. Control offers the opportunity to plan and execute reward in a more organized and logical manner which reflect the spirit and mission of the company. According to Gabriel (1988), employers and managers should pay attention to their employees and special attention to the best employees. This is done to encourage good performers, to push them to greater heights. Positive recognition for people can ensure a positive and a productive organization. The recognition of outstanding performance aims to create an understanding of what behaviors might add significant value to the organization and to promote such behaviors. Awards- monetary and non-monetary – should be given based on the achievements and accomplishments of workers.

Effective reward management calls for effective and strategic management to ensure that the programs not only succeed but also offer a good platform for other companies to emulate. This is an entrenched culture within British Airways aimed at ensuring employee performance improvement. In controlling the rewards, the organization benefits a lot from such an initiative. The befts that come along as a result of reward control include offer of the best opportunity for strategic planning, ensures continuity of the

reward system, it is effective in the process of the reward scheme evaluation.

Monitoring and evaluating reward theories

The process of monitoring and evaluating reward theories demand good management practices from the line managers. In British Airways, This process is ideally inclusive of the major parties to the problem and will involve holding a brainstorming session where the possible solutions to the problem are all presented and analyzed. Bowen (1986) has advised against passing judgment on the possible solutions as presented at the earliest stage of evaluating rewards so as to provide chance for possible solutions and errors that could be omitted. The selection of the reward within British Airways considers best alternative to resolving the problem is the next stage and is essentially where the possible solutions advanced are analyzed and dissected in details. In the selection of the best alternative, the line managers within British Airways takes into considerations the approach that is likely to resolve the problem in the long run, the most realistic solutions, the resources available, time and the risks associated with each alternative (McNamara, 2008).

Managing the developing reward system

Initiating a reward program in most organizations has been easy but managing and developing the rewards comes along with many challenges. This is because reward systems must be well developed and enhanced to reduce employee conflict (Irwin, 2003). In British Airways, this involves assessing how the situation will be once the reward has been initiated and looking for possible weaknesses within the reward scheme. This process is

well handled within the British Airways by a pool of highly trained line managers. Essentially, this will entail a careful consideration of the best way to implement the new reward policies and procedures, what resources are desirable in terms of people, facilities and finances, time, who will drive the process, and the person in who will be responsible for the success of the plan. It is imperative that the action plan is communicated to all the stakeholders who will be affected by the new changes within and without the organization to limit the possibility of conflict and take into consideration all the divergent views. Communication within the British Airways values the culture and takes into consideration the major drive within the Airline industry which centrally aims at providing the best competitive work environment to the employees.

Devolution for line managers

The success of reward schemes and projects has to a large extent relied on the interests, support and commitment of the senior management within the British Airways. This is in order to ensure that everybody in the project team and indeed the whole employees are focused and committed. Most reward schemes within organizations are sometimes conceived, funded and developed without appropriate senior management involvement or approval. Naila (2009) has for example noted that some projects go forward without the management clearly conceptualizing what the project entails. A distinction between mere approval and commitment should be clearly discerned so that the projects run smoothly. According to Kerzner (2006), most projects fail when the senior management lacks a clear understanding and a paucity of the project's perceived benefits, risks and difficulties. This is

fundamental because the management plays a central role in costs appropriations and budget allocations for project activities. This means that while the project's approval may actually have been acquired, in the euphoria of getting the projects approved; some of the risks may be ignored or glossed over. Efficient project cost management especially in the field of IT should however ensure that projects approvals are not based on hype and unrealistic calculations but on a framework that encapsulates a realistic assessment of the projects. These remain the central themes within British Airways that define its culture and its reward schemes.

Interviews in selection and recruitment

The most frequently used selection method in most organizations and companies, with British Airways being no exception, is the interview. The company employs this selection process in selecting and recruiting personnel in the top management positions such as departmental managers. Interviews occur when a candidate responds to questions posed by a manager or some other organizational representative. In an interview, common areas in which questions are posed include education, experience and knowledge of job procedures, mental ability, personality, communication ability, social skills as well as the knowledge of current affairs.

The recruitment process within British Airways as a close nit process that enasure only the best is recruited. This is ullusterated below by Guemier and Lockwood (1989).

Quality Performance Measurement

The capacity to understands and measure performance of an organizational policies is crucial for the success of any business. These measures should include process performance and improvements that can be seen by customers. The importance of performance measurement is important to ensure that customer service is given, to set individual team and business objectives, highlight problems and failure in the processes, provide the needed stimulus for continuous growth and provide benchmark for establishing comparisons.

To effectively carry out quality performance, an organization must understand the component of quality costs. These is because the capacity to show that quality system is effective, find more efficient ways of working and get it right from the first time are fundamental in the processes. Performance measurements include four quality costs such as prevention costs, appraisal costs, internal failure costs and external failure costs.

Through the application of EFQM that recognizes the fact that there are many approaches to achieving sustainable excellence, British Airways has extensively made use of this non prescriptive framework to analyze its quality performance measurements. This process has been carried out using leadership in at the fore front while enablers include people, policy and strategy partnership and resources who are subjected through a process. The results for the performance of the reward policy within British Airways are then measured by people's results, customer results and social results. These generate key performance results that are generated through three result components. The tool that was preferred for this process was Radar

Scoring Matrix that was capable of covering all aspects of results, approach, deployment, assessment and review. The five poor causes of quality include wrong application of measurement tools, poor combination of enablers for the process, poor leadership, inability to establish a measurement process and failure to engage of all employees in the process.

Conclusion

The world over, organizations and business enterprises are experiencing major economic crunch and environmental upheaval such as deregulated industrial regulation systems, globalization, competition and technological advancement. These economic, social and political circumstances have precipitated a complex and sophisticated of overlapping and concurrent interventions that are radically changing the existing structures, cultures and job requirements. In response to this dynamic and rapid change, managers need to approach the selection and recruitment from a strategic perspective. Recruitment and selection strategies, process and policies should be integrated within the company human resource department and the organization culture. These have been entrenched in the operational culture of British Airways.

In the Airline industry, there is need to streamline the operations to embrace the dynamic changes in selection and recruitment. These changes include new strategies on selection and outsourcing. British Airways has been successful and continue to gain more ground in the world market due to its strategic planning and management. This paper has given a comprehensive

and in-depth analysis of the role of the human resource department in the selection and recruitment with special reference to British Airways.