

Analysing the human resource management of easy jet



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EasyJet is the second largest low fare carriers in Europe, behind Ryanair, expanding rapidly since its establishment in 1995. Operating from its Luton headquarters, it carries around 40 million a year with a growing fleet of over 180 aircrafts. Today, EasyJet employed over 7, 300 people and flies to over 500 routes including to European, North African, and West Asian countries. EasyJet values in no frills, care and convenience, low cost concept and to keeping costs low requires high assets utilization and high efficiency in every parts of their operation. (89words)

BUSINESS PROCESS AND OPERATION

Input/Process/Output

Customer Processing:

Customer service is a key element of easyJet which among a number of enviable statistics has enabled easyJet to boast of continued reductions in customer handling costs. easyJet averages three flights a route seven days a week, compared with Ryanair's two.

Information Processing:

easyJet has high volume with short haul network operating on multiple flights routes per day. Their cabin service does not provide room for meal and frills. Booking is done through company's website or through company's direct call center.

Volume:

High volume with multiple flights per route each day. easyJet operates on a fleet of over 180 aircrafts, with over 500 routes, employed over 7, 300 people and flies an average 40 million passengers a year.

Variety:

EasyJet offers low variety. Offering no meals obviously means easyJet has no costs.

Variation:

Variation in demand is low because there is enough aircrafts and staff on ground at all times (whether in off-peak or summer periods), so the company does not need to employ more staff or get more aircraft at these periods.

Visibility:

easyJet offers low visibility with low customer contact skills at a reduced cost. At present over 82% of its sales are sold online, [www. easyjet. com](http://www.easyjet.com), where the passenger is offered value-added service i. e online check-in and additional discounts on the ticket price. The presence of easyJet's social network page on Facebook and Twitter indirectly helps to promote their services. (243words)

Process Design

easyJet uses mass service process design which involves many customer transactions, limited contact time and little/no customization. Customers pick their desired flight from the range and 'customize' the service as offered....

(31words)

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Supply Chain

It is identified that EasyJet is adopting a bidirectional supply chain as well as outsourcing strategy. In bidirectional (figure 1), EasyJet acts as an agent to travellers while outsourced many of its services and goods from suppliers. Services such as aircraft maintenance is overseen by SR Technics, Network Infrastructure to enable the online booking is managed by Alfred McAlpine, and In-flight magazine is provided by Ink Company. Gate Gourmet will be responsible for the supply of all food for onboard purchase, duty free products, and crew meals. Both bidirectional and outsourcing strategies helped easyJet to focus on their core operation and help them to cut their costs. (105words)

Sells more seats

Flying 5 services/day

Capacity Planning and Control

Increase routes no. in Primary airport

In service industry, services cannot be stored for later use. The capacity must be available to produce a service when needed. With high demand of budget flight, easyJet serves the market with more aircrafts and high utilization. Also, the service capacity must be located near the customer. EasyJet flies mainly to primary airport - nearing the high density of travellers and avoids delay as well as to secondary airport - to keep away from congested airport to reduce costs. The volatility of demand in service delivery system is another. The demand of business travellers in search of

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budget flight has increases. easyJet moves forward to adjust their capacity to fit the demand of travellers who wish to keep travel budget under control.

This is so-called “ chase demand”. (126words)

Human Resource Management

easyJet operates under a corporate culture based on five values – Safety, Teamwork, Pioneering, Passionate and Integrity. People were recruited who live and breathe such ethos. Employees will undergo a thorough induction programme and training to understand that having the right skills, experience and culture is important to company’s performance. Managers are continuously provided with high quality both technical and management skills development through partnering with leading universities.

Communications with employees are held regularly through meetings and information is spread to all staff electronically. Staff are retained and motivated through various rewards including pay, benefits, and career development opportunities (99words)

Staff Rewards

Schemes and other Benefits

Basic payment + (sector pay (depends on crew member’s seniority) + overnight allowance)

Uniform allowance

Language payment (where relevant and depending on degree of proficiency),

Loyalty bonus (payable after two years full employment).

Discounted staff travel

Sharesave scheme – to buy shares at £1.86 with a maximum 20% discount

Share incentive plan (Sip) – buy-as-you-earn

Pension scheme through ‘Your Benefit’

BUSINESS MODEL AND COMPETITIVE ADVANTAGE

Nowadays, definition of ‘airlines’ have been changed with the presence of low fare carriers industry that air travel is a luxury and it is only for the upper segment of the population. The key purpose of low fare carriers is to reach the market as lowest as possible and to provide the services to a large segment with convenience. This is the main focus of easyJet.

easyJet is adopting a low cost leadership strategy, a strategy that allows them to provide services at low price than their competitors. Low cost concept can be derived from high asset utilization and high operating efficiency. In easyJet, the aircraft flies 11 hours a day, four hours longer than BA while the pilots fly 900 hours a year, same as Ryanair but 50% more than British Airways.

Low cost operation and efficiency of easyJet is summarized as follow:

High asset utilization

Operation Efficiency

Aircraft fly out to secondary airport as well as primary airport

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Aircraft are tightly scheduled, only allowed 25 minutes to off-load passengers and to load another

No delays. Aircraft must leave and arrive on time

There is no 'slack' in the system. easyJet admits to having "one and a half planes' worth" of spare capacity compared with the dozen planes Ryanair has on stand.

Minimum cabin crew on-board.

easyJet

LOW COST LEADERSHIP STRATEGY

Customer Service

No 'frills' such as free drinks, meals or assigned seats. This helps to reduce cleaning cost. Food, beverages and in-flight magazine can be purchased on-board.

Limited compensation for delays or lost baggage

No guarantee transfers as the planes could be late

point-to-point flights

Ticketless (90% online reservation system). This eliminates cost of issuing, distributing, processing and reconciling tickets each year and speeds up check-in.

CONCLUSIONS AND RECOMMENDATIONS