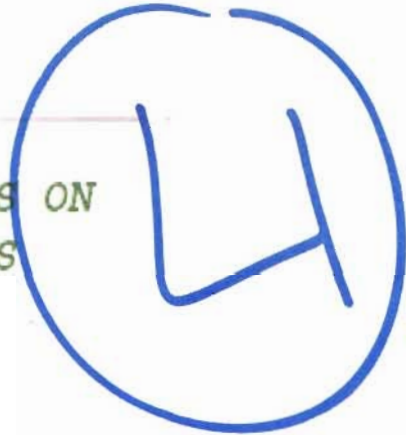


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A COMPREHENSIVE ANALYSIS ON  
BIMAN BANGLADESH AIRLINES



**Biman**  
BANGLADESH AIRLINES

# A COMPREHENSIVE ANALYSIS ON BIMAN BANGLADESH AIRLINES

[Human Resource Perspective]



# PART ONE



# Table of Content

SL NO.	CONTENT	PAGES
1	ACKNOWLEDGEMENT	
2	EXECUTIVE SUMMARY	
3	INTRODUCTION	1-2
4	PRESENT CONDITION OF BIMAN	2
5	OBJECTIVES OF THE REPORT	5
6	LIMITATION OF THE REPORT:	5
7	BIMAN BANGLADESH AIRLINES	6
8	COMPANY HISTORY	6
9	SERVICES OFFERED	6
10	SEAT RESERVATION SYSTEM	7
11	MAJOR FINDING AND ANALYSIS	8
12	MANAGEMENT ISSUES	9-10
13	MINISTRY OF CIVIL AVIATION AND TOURISM AS A HUMAN RESOURCE	10
14	PILOT CRISIS & UNSKILLED PILOTS	11
15	SETTLEMENT OF LABOR DISPUTES	11
16	CORRUPTION	12
17	SOME OTHER OBSERVATIONS & DISPUTES ABOUT BIMAN	15
18	EXTERNAL & INTERNAL ANALYSIS OF BIMAN: SWOT	16
19	HUMAN RESOURCE STRATEGIC PLANNING FOR BIMAN	17
20	CHOOSING FROM ALTERNATIVES	18
21	JOB ANALYSIS FOR BIMAN	19-20
22	STAFFING	20
23	TRAINING & DEVELOPMENT	21-22
24	COMPENSATION SYSTEM	23
25	APPRAISALS, RETAIN AND REWARD SYSTEM	24
26	COMPARE WITH OTHER AIRWAYS	25-27
27	SOLUTION	28-38
28	RECOMMENDATION	39
29	CONCLUSION	39
30	BIBLIOGRAPHY	40

S. M. Wasiul Hasan  
ID # 2001-3-10-064  
BBA  
Department of Business Administration  
East West University

August 13, 2006

M. Sayeed Alam  
Lecturer  
Department of Business Administration  
43 Mohakhali C/A  
Dhaka, Bangladesh

Dear Sir:

Here is the report on the observational study about Bangladesh Biman you asked me to prepare before. August 13, 2006

As you will find that I conducted an in-depth investigation about Human Resource issue in Bangladesh Biman conducted for business purposes and tried to analyze certain circumstances and displayed our results of analysis and findings in this report.

I will really appreciate if you go through the report and express your feedback on that.

Thanks.

Sincerely,



S. M. Wasiul Hasan  
ID # 2001-3-10-064

## **Acknowledgement**

The report is based on Biman Bangladesh Airlines. While any and all errors of fact, omission, and emphasis are solely my responsibility. I would be remiss, if I did not acknowledge those who helped me to prepare this report.

First of all I must humbly acknowledge the contribution of M. Sayeed Alam for the time and effort to help me. I have had the good fortune of meeting him in person and share his views and ideas.

Finally, I would like to acknowledge the contributions made by our family mom and dad. Although they didn't write a single word of this report or any artworks, but their imprint can be found on everything we do. They support us, encourage us, and inspire us. They give our work - and our lives - meaning. It is Mother who provides us all the love and affection that we thank her.

## Executive Summary

Bangladesh Biman, the national Airlines of Bangladesh could never create any significant impact in its business, either locally or globally. As a series of failure causes, number of domestic destination either have been closed, or on the verge closing; where those "closed destination" are being well utilized by some private airlines like GMG. Same is the case with regional or international destination also.

Biman the national flag carrier of Bangladesh has started its journey from scratch virtually with no aircraft, no ancillaries. It came into operation immediately after the war of independence. Despite many odds on its journey towards a long and challenging way to progress. Biman has been able to establish its reputation as an airline of welcome smile and an ocean of hospitality.

Biman now carries the nation's flag to 8 South Asian destinations, 6 South-East and Far-Eastern destinations, 9 destinations to Gulf and Middle-East region and 6 European and North American points. A steady progress has been made with better services ensuring increased passengers. To make Biman passengers feel "**Once Biman always Biman**" the airline has recently brought in some qualitative changes in its service concept. Biman has been aiming in achieving the goal of being truly international commercially viable airline of the region with its warmth and friendliness, care, safety record, traditional hospitality and comfort of the services it offered. Biman in now flying even higher with great pride around the globe with the bi-colour, the nations

The primary customers in the aviation sector are the government-owned Biman Airlines and the Civil Aviation Authority of Bangladesh (CAAB), also a government entity. Biman has a fleet of about a dozen aircraft, including DC-10s and Airbus 310s for mid to long-haul flights. Biman performs much of its own maintenance, presenting opportunities for sales of spare parts, including engines. Two Airbus A310-300 aircraft (with U.S. engines) are operating on Biman's Middle East routes. To transport pilgrims to Mecca from Bangladesh, Biman leases at least two aircraft annually. Biman has been planning to buy additional long-haul aircraft since FY1997, as well as a variety of aircraft for shorter routes, but funding constraints have delayed the addition of the much-needed aircraft.

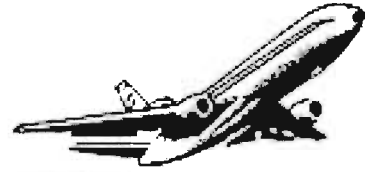
People are the only sustainable competitive advantage. But the firm has also invested heavily in IT systems which are designed to keep technologically well ahead of much larger rivals. Though, is that others can catch up on the technology. It's much harder, especially for large multi-business companies, to overtake the innate strength of a firm for which people love to work.

Hiring transcendent objective and affects every decision. For instance, the prime criterion in hiring is that the appointee must be 'nice' - a word that's vague, but which everybody understands. It means a person who is pleasant to talk to, good to have around, friendly and cooperative: somebody you would enjoy meeting outside the office.

'Binan's bosses believe that happy and trustworthy employees mean bigger profits.' The sting was in the tail: 'Yet when asked to state their most important future business strategies if introduce, the '70% of profit performance derives from established measures of competitive strength, market attractiveness and productivity and 25% of said profits is driven by human resources strategy







**Origin of the report:** Our honorable Faculty M. Sayeed Alam lecturer Department of Business Administration, East West University has verbally assigned me this report on summer semester 2006. The report is the part of curriculum of the Project work, course code BUS-498 offer for the BBA program. The report will look at the present state of Biman Bangladesh Airlines and will suggest strategy to overcome the constraints that may help to get a better profit.

# PART TWO

# BODY PART



## Introduction

Bangladesh Biman, the national Airlines of Bangladesh could never create any significant impact in its business, either locally or globally. As a series of failure causes, number of domestic destination either have been closed, or on the verge closing; where those "closed destination" are being well utilized by some private airlines like GMG. Same is the case with regional or international destination also.

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Middle East routes. To transport pilgrims to Mecca from Bangladesh, Biman leases at least two aircraft annually. Biman has been planning to buy additional long-haul aircraft since FY1997, as well as a variety of aircraft for shorter routes, but funding constraints have delayed the addition of the much-needed aircraft.

## **Present Condition of Bangladesh Biman**

According to various top-level managers, Pilots & Engineers they think lack of strategic planning, unskilled administration and severe corruption involve in the selling & purchasing, also leasing air craft. For this reasons The Bangladesh Biman falls into a great losses.

From the last four years Biman Bangladesh Airlines facing problem and some employees are involved in corruption about 348 taka for purchasing & selling air bus taking liz and repairing engine and purchasing other machineries.

Biman Bangladesh Airlines bought two focar F-28 air plan a cost of more then 6 corer 60 lakhs from Indonesian Haibard Company. Where 625 faults were found in two F-28 plans before in comes to the country, still these two air plans are serving to Bangladesh Biman.

In 2001 Biman Bangladesh lease two DC-10 from USA Pegasus company by spending 60 corer taka having fault with this two DC-10. Though Biman Bangladesh have 50 – 60 qualified pilot, they lease air plan with pilot. For those pilots they have to spend a large amount of money for their salary and other compensation. In 2003 Biman Bangladesh lease two Bowing – 737 from Singapore with pilots. Generally Airlines do not lease Air Plan with pilots because if they lease Air plan with pilot, there own pilot have to seat and they bound to spend a huge amount of money for those pilots.



## **BLOSSOMING PROFITABILITY:**

It isn't the usual groups associated with HR strategy: the counter-clerks, stewardesses, factory operatives and other staff, who are the usual heroes and heroines of the wonderful accounts of productivity improvements. According to PIMS, the key lies, not at these levels, but in the people who manage them. If you really want profitability to blossom....

1. Make sure that managers contribute all they want to decision-making, listen to their ideas and share information with them: profitability gain, up to 15%.
2. Agree with your managers on an open management style: profitability gain, up to 28% compared to companies where culture and change are in dispute.
3. Provide at least five annual days of formal training for all levels of management: profitability gain, unspecified, but real.
4. Have formal succession planning - which is also 'linked to higher profitability.'

This quartet of findings is based on detailed study of the links between practices and profitability across a host of companies, like all reports from PIMS (which stands for 'profit impact of market strategy').

## MANAGING FROM A TO Z

It develops management, too. Expect people to work hard and well and to enjoy that hard work: reward their performance, not only with pay, but with recognition and promotion to bigger and better opportunities. Enable them by training, guidance and resourcing to take those chances, in part by taking chances - controlled and intelligent risks: and don't penalise them for honest mistakes. Rather, encourage them to learn from their errors.

The formula is universal: to quote Fortune, 'Hire nice people, treat them well, encourage them to bind emotionally with the company, train them continuously, and equip them with the best technology. Then the customers and the profits will follow.'

The logic is inescapable. Yet most companies and managers, instead of taking this proactive approach, are essentially reactive. Something slips - say, a week's, or month's, or quarter's figures - and the 'problem' is attacked until the slippage is corrected. In the meantime, nothing has been done to ensure that the 'problem' won't recur - except, possibly, the selection and execution of a scapegoat. Theory AZ managers are simply confident that, once the platform has been laid, the results will follow. And they are absolutely right.

Taking into account need to focus on:

1. Effective Ministry of Civilization and Tourism
2. Fly to Win (achieve the top quartile in the industry margins)
3. Fund the Future (reduce debt)
4. Make Reliability a Reality (have an industry-leading product)
5. Working Together (have a company where employees enjoy coming to work everyday)

## **Genesis of the Report:**

During the last decade the significant amount of loss incurred by Biman Bangladesh Airlines. Biman Bangladesh Airlines had modest beginning in the late seventies.

But within this period it has been suffered problem by mismanagement, inefficiency and lacking of expatriate human resource.

## **Objectives of the Report:**

### **Broad Objectives:**

To provide strategies for maintaining competitiveness to identifying the present situation of Biman Bangladesh Airlines.

### **Specific Objectives:**

To draw a scenario of the Biman Bangladesh Airlines.

To determine the reasons behind the present market strength of the Biman Bangladesh Airlines.

To make a SWOT analysis of the Biman Bangladesh Airlines.

To suggest strategies for overcoming the external constraints.

To suggest strategies for overcoming the internal constraints.

## **Limitation of the Report:**

This study could have been more purpose oriented if a primary survey were conducted. But primary survey required for this kind of study deserves huge time and monetary involvement, which are beyond our limit. Some hypothetical salutation or situation has been recommended about compensation system and administrative system because of unavailability of information.



## Biman Bangladesh Airlines:

Biman Bangladesh Airlines is an airline based in Dhaka, Bangladesh. It is the national flag carrier of the country and operates domestic services and international routes to Asia, Europe and the United States. Its main base is Zia International Airport, Dhaka.

Biman has been suffering from severe crisis due to the inefficiency and weakness of two vital areas of any airline - Management and fleet.

For a long time period the number of dissatisfied customers was increasing and huge losses were caused to the national flag carrier. It needed to improve both its management and services to make it competitive in the global market. Different strategies were undertaken and efforts were made. But all the efforts taken for the welfare of the Biman were all **Futile Efforts**.

### History

Biman Bangladesh was established on *4 January 1972* and started operations in *February 1972*, when a *Douglas DC-3* that had seen action in World War II was given to the company as a present by the Bangladesh Air Force. Soon after, a *Boeing 707* and *Fokker F27 Friendship* aircraft joined the airline's fleet, allowing Biman to begin international flights.

In 1983 Biman acquired *Douglas DC-10* aircraft, and subsequently other planes such as the *Airbus A310*, *Fokker F28* and British Aerospace BAe *ATP*. On January 31, 2003, the airline received 2 Boeing 737s.

### Services

Biman Bangladesh offers *16 Domestic* and *102 International flights*, consisting *13 local* and *28 world wide* branch offices.

Biman Bangladesh operates the following services (at January 2005):

- ❖ **Domestic scheduled destinations:** Barisal, Chittagong, Cox's Bazar, Dhaka, Jessore, Rajshahi and Sylhet.
- ❖ **International scheduled destinations:** Abu Dhabi, Bahrain, Bangkok, Brussels, Dammam, Delhi, Doha, Dubai, Frankfurt, Hong Kong, Jeddah, Karachi, Kathmandu, Kolkata, Kuala Lumpur, Kuwait, London, Mumbai, Muscat, New York, Paris, Riyadh, Rome, Singapore, Tokyo and Yangon.

Recently, Biman Bangladesh Airlines has decided not to operate its flights to some international routes, including Paris and Frankfurt because the *Civil*



*Aviation and Tourism Ministry* found poor turnover from Paris and Frankfurt flights of Biman during a review.

Biman would also readjust some of its international and national flights. Chittagong-Rangoon flight might face closure due to continuous loss and flights to *Bangkok, Singapore* and *Kuala Lumpur* would be reduced. On domestic route, Barisal flight has been closed.

## **Fleet**

The Biman Bangladesh fleet consists of the following aircraft (at March 2005):

- 4 Airbus A310-300
- 3 Fokker F28
- 2 British Aerospace ATP
- 6 McDonnell Douglas DC-10-30

Offers were invited only from manufacturers, owners, operators, airlines, and leasing or financial institutions having aircraft of its own for *Operating Lease/Lease Purchase/Lease* with option to purchase four A340-300 or Boeing 777-200ER aircraft.

## **Seat reservation system:**

Bangladesh Biman (National Airlines) operates a comprehensive seat reservation system through a Computer-Based System and utilizes a network of local and overseas terminals which provide quick access to a central computer through micro-wave channels and satellite links.

Using their own network system, Biman Bangladesh Airlines makes all *contacts, bookings* and other *communications* among all branch offices. They also provide their network to their authorized *travel agents*. Recently they are making plans to improve all of their communication systems for better service.

## Major Findings & Analysis:

According to -the WB study report, Biman has an aging fleet with little access to international passenger network, limited information technology resources, increasingly dissatisfied customer base and few 'opportunities to increase revenue.

So need to:

- Simulation software
- Model support and maintenance
- Store excessive data
- Update knowledge and skills
- Customer interface
- Timeliness
- Future use for simulation

# Management Issues:

## Lacking of professional Managing Director:

There is no need to be an expert to realize that person with commercial and airline background must be the head management of Biman. But since its birth, the airline has got 22 *Chief Executive Officers* (currently the position is called *Managing Director*). All of them were **civil or military bureaucrats** and **majority of them had to end their tenures even before being familiarized with jobs.**

This has resulted in **weak and uninspiring leadership.**

**Mismanagement:** Mismanagement is Biman's greatest deficiency. The very recent example of HAZZ airfare is the perfect one to cite here. The Biman authority refused to carry the non ballotry HAZZ pilgrims. Upon their several request Biman later agreed to carry them with higher airfare. The entire scenario turned into a worst one when the whole non ballotry HAZZ pilgrims decide to refuse the government offer and arrange aircrafts by themselves for their HAZZ. This results huge loss to Biman as they borrowed one DC-10 for those non ballotry HAZZ pilgrims.

**Management** and **fleet** are the **two vital** areas of any airline and efficiency of both greatly contributes to success. But unfortunately, these two areas are the weakest in Biman.

The need for re-structuring, commercialization, infusion of vigor through dynamic management, modern equipment to match competitive environment and freedom to run as commercial units were urgent. Initiatives to this direction were taken and then shelved. So, Biman Bangladesh Airlines (Biman) remained as before and there is no prospect of immediate change.

**Non-commercial bureaucratic oriented poor management** coupled with **frequent change of Chief Executive Officer (CEO)** and **old and unreliable fleet still** haunting the national flag carrier even after three decades.

Few years ago the government initiated two efforts **to strengthen two weakest areas** of the airline-management and fleet.

- ❖ The first and most important of the two efforts was restructuring of Biman by finding Strategic Partner through partial privatization.
- ❖ The other one was to modernization of fleet with new generation aircraft. Improvement of both these areas was long overdue.



The present government soon after assuming the office has placed importance to improve the quality of services in tourism and aviation sectors - especially the services of Biman (Bangladesh Airlines).

Apart from almost total absence of commercial orientation in managing affairs of Biman, too much interference from the top harming the interest of Biman badly.

Since its birth, the management of the airline enjoyed very little freedom. The influence from the higher level including head of the government can be found in almost all sectors of its operation-from the choice of aircraft to the choice of publisher for in-flight magazine, from the livery of the aircraft to the selection of the name of its business class. There was Problem with **“Flexibility in assigning works and absence of Unique work environment”**.

Even the management has hardly any freedom on recruitment, promotion and posting.

### **Ministry of Civil Aviation and Tourism as a Human Resource:**

That Biman never get the kind of attention and priority they deserved can be proved from the fact, the Ministry of Civil Aviation and Tourism was never get the responsibility of influential minister. Since independence, most of the time in successive governments State Ministers or comparatively "lightweight" ministers was given the responsibility of running this ministry. So, despite their best efforts-could not make the real policy in the government to realize the importance of tourism sector in development of national economy. Lesser status made it difficult for them to make their voice heard.

The logic behind radical re-organization of the managements of Biman is many and varied. The overriding rationale has been rooted in the need for greater commercialism based on competitive principles. A time has come to make radical structural change in this important organization. There is hardly any alternative but to make the managements of Biman efficient and dynamic.

The Ministry of Civil Aviation and Tourism should act purely as the **policy maker** and the execution of the policy must be left solely to the management, especially *Human Resource Management* which is the primary activity of the **Value Chain of Biman**. Once policy and target is given, the function of the ministry must not to be more than a **watchdog**.

## **Outsourcing & Cost of outsourcing:**

The government sometimes brings some pilots and technicians from the British Aerospace company for temporary operation of flights and these cause the huge loss of foreign currencies

## **Pilot crisis & Unskilled Pilots:**

Pilots are accused for their skill deficiencies that lead to some accidents.

Accidents such as at Chittagong Shah Amanat International Airport took place due to the Violation of the control tower instruction and failure in maneuvering the aircraft by the pilots led to July 01, 2005 plane accident.

Another accident at Osmani International Airport in Sylhet occurred due to the pilot's failure in handling the aircraft.

The proof came from the collection of **voice recorder** containing the conversation between the control room officials and the pilot.

These events lead to the mistrust on Biman by its customers, passengers. They are afraid of Biman.. **So**, Biman must make its pilots more dedicated to its fight.

## **Settlement of Labor Disputes:**

Contract or agreement is usually made between the management and the Collective Bargaining Agent (CBA) on settlement of industrial disputes as per provisions of **Industrial Relations Ordinance, 1969**. In case a bipartite negotiation fails, conciliation machinery of the government is requested by the aggrieved party to intervene and the conciliation process is undertaken. If succeeds agreement is signed between the parties and the Conciliation Officer becomes a witness. If it fails, the party raising the dispute may go for strike or lockout as the case may be. The government may, however, prohibit the same after one month in the interest of the public.

In the essential services like, **(a)** electricity, gas, oil & water supply etc. **(b)** hospital & ambulance service, **(c)** fire brigade, **(d)** railway & Bangladesh Biman and **(e)** ports etc., **strike is prohibited**. But, recently Biman faced some strikes that resulted in the ultimate damage in reputation.

Unfortunately, government, agents, management, nobody made a ceasefire so that the Biman can operate smoothly.

## Corruptions:

**Corruption in purchasing aircrafts** and its equipments has been identified as one of the foremost reason behind the present failure of Biman.

Lack of accountability again a core reason of this failure. Let's have look at the following example. There was time when Bangladesh Biman has got the offer to buy two DC-10 and get two DC-9 aircraft free, but they refused! Later they bought the same DC-10 the price three times more then the previous and got nothing free. But there was none to check back the reason, forget about accountability.

Biman has been accused for being one of the top most corrupted organizations in the country. Corruptions take place in recruiting, hiring, purchasing, and in ticket counters.

Recently the parliamentary standing committee on public accounts asked the government to take tough action against corrupt cliques involved in shady deals that inflict damage on the Biman Bangladesh Airlines, the national flag carrier. The committee also asked the comptroller and auditor general to conduct a '**performance audit**' of the Bangladesh Biman Corporation.

## Nepotism:

**Nepotism:** The top level managers should be charged for the nepotism they did. Apathck aviation has got the authority to import an airbus from Crain Int of USA. This very airbus got 60 technical faults while it had been imported. And this Apathck aviation is own by the relatives of high officials of Biman.

Apart from these core reasons we have identified **Lack of participative management** in Biman for this current Scenario.

## Lack of recruiting policy:

**Lack of recruiting policy** especially for the top level managers has been derived from political influence and that is identified as one of the major organizational audacity. Again too much dependency on defense people for the top level management obstruct Biman prosper.



Despite of having lots of human resource, their **intentional mismanagement of distributing these resource** acts as a hurdle in their prospect. As an Example, Biman outsource few foreign pilots, overlooking our national capable pilots.

**Defective leasing policy** leads to sever nepotism in terms of allocating tenders for purchasing aircrafts and spare parts. And that's been the vital point for recent disaster of Biman.

Our journalist friend helps us to find out the leasing corruption thoroughly. Let's have a snap shot:

Particulars	TK
Boeing-737 Nos 2	70 crore
DC-10 Nos 2	60 Crore
ATP-6 Nos 2	6 Crore
F-28 Nos 2	2.60 Crore

This above chart opens up our vision to fell the appeal of corruption occurred 3 years and resulting total 290 crore TK of corruption. If this is the situation of a airline company, obviously, it's going fail subsequently. And it happened too.

Bangladesh Biman has practiced **faulty compensation policy** for its employees. The scenario become severe as it hasn't paid the due increment to its employees starts from 1972. And it is still due.

Absence of lateral and upward **communication** has been identified as one of the major disappointment of Biman. As a consequence subordinates are not allowed to communicate to their supervisors, cant practice partipatory management. And thereby number of times supervisors failed to receive correct feedback indeed. The burning example in this case is that deputy minister of Biman MR.Nasim wasn't aware about 10 hours long strike called by BAPA. He knew the incident on subsequent day. Deferentially it reflects the hurdle in upward communication in Biman.

## Lack of coordination

Lack of **coordination** among employees and management has caught our attention that need to be revised. Very recently, the 10 hours long strike in Biman makes the situation much severe in nature. Let's put some light on this strike issue.

The hidden reason behind this strike is the desire to have appropriate pay scale and to remove the eight defense personnel's from top management. Apart from adding to the sufferings of the passengers, the strikes dealt a significant blow to export trade, especially vegetable export, to many Middle Eastern destinations. As a consequence of this strike export of some 55 tones of perishable products, mainly comprising of vegetables was hampered due to cancellation of scheduled Biman flights leading to losses worth US\$120,000. Apart from these Operations of some other international airlines including Emirates, Indian Airlines and Thai Airways were also affected by the strike.

## Gender discrimination

**Gender discrimination** has been practiced in Biman. They believe in a myopic ideology that, stewardess over 35 years of age lacks in smartness and efficiency.

**Customer centric policy** of Biman is invariably an outdated one. It is very essential for an international airline and need to be take care by Biman authority. But we have found that it is almost absent in Bangladesh Biman.

We can quote an excellent example of this case from the history of 26<sup>th</sup> September 2005. Due the strike called by BAPA, two thousands passengers were stuck inside the airport for consecutive 10 long hours without any food and water provided by the authority. Despite of the several attempts by those passengers none of the Biman staffs were available there to help them out to return their luggage.

## Promotion

**Promotion** should be our key consideration indeed. We have that Biman that severe lacking in its promotional activities. Therefore, we would Re-engineer their entire promotional campaign. We would go for Print and broadcast media for its promotion. Developing a TV commercial should be our foremost jobs to do.



Apart from this the we would like to go for below the line Marketing, in the form of sponsoring event, brand ambassador and others forms as well. We would ensure sent present customer centric management to survive in this killer completion era.

### **Some other Observations & Disputes about Biman:**

1. 50 – 60 domestic pilots are sitting idle but outsourcing continues.
2. Employees are highly dissatisfied with their salary and compared to other operators it is very poor.
3. Pilots who are being outsourced are paid 5 times higher salary than local pilots.
4. Management Staff conflict.
5. Once the strike was called, it may again be called in future.

## Bangladesh Biman

### Strength:

- ✿ High skilled and qualified Pilots
- ✿ Low priced ticket from customer perspective

### Weakness:

- ✿ Severe corruption
- ✿ Autocratic management.
- ✿ Lack of HR planning
- ✿ Lack of participative management
- ✿ Nepotism
- ✿ Defective leasing policy
- ✿ Hazz complicacy
- ✿ Lack of customer centric policy
- ✿ Hostile relationship with the media
- ✿ Lack of lateral and upward communication
- ✿ Lack of coordination
- ✿ Lack of recruiting policy
- ✿ Political influence
- ✿ Mismanagement in resource distribution
- ✿ Defective increment policy/compensation
- ✿ Gender discrimination
- ✿ Lack of training policy
- ✿ No back up system
- ✿ Lack of routine policy
- ✿ Defense people biasness
- ✿ Bravery in recruiting
- ✿ Inter departmental conflict
- ✿ Centralized management ( ministry)
- ✿ Corruption in outsourcing
- ✿ Lack of customer service



### Opportunity

- ✿ Large potential market place

### Treats

- ✿ Private airlines like GMG, Air Parabat- continuously increasing and capture their market,
- ✿ Intense competitors.

- ✿ International airlines are increasing their business in Bangladesh
- ✿ Potential customers are shifting their choice to road transportation than by air.

## External & Internal Analysis of Biman: SWOT:

External analysis consists of examining the organization's operating environment to identify the Strategic Opportunities and Threats.

Internal analysis attempts to identify the organization's strengths and weaknesses. It focuses on quantity and quality of resources available to the organization. One of the resources that can enable the organization to achieve the competitive advantage is Human Resource.

External analysis and internal analysis combined constitute what has come to be called the SWOT analysis.

Many of the opportunities and threats are human related. In addition to that strengths and weakness also require inputs from HRM function.

### Strength

Captive Market – created by government.  
Its infrastructure may attract people.  
Number of people.  
Long term Experience.  
Sufficient resources.

### Weakness

Excessive number of Human Resources.  
Little salary.  
Corruption.  
Motiveless employees.  
Management-Staff relationship.  
No mission vision or goal to achieve.  
Top-Head Administration.  
No relation between Salary & Profit.  
No intention to implement strategies.  
Lack of empowerment.  
CEO comes from non-business organizations

### Opportunities

The whole country is not yet connected through Biman, So, it can increase the routes by improving services.  
Increase international routes.  
More employment of people if routes are increased.  
Domestic competitors have little infrastructure.

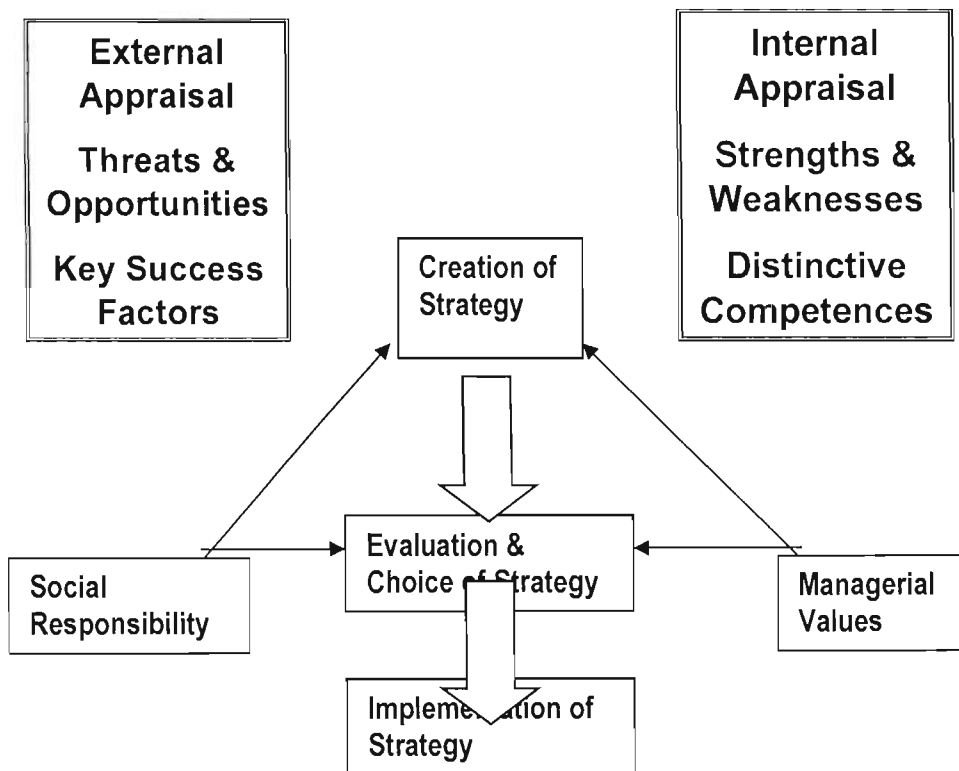
### Threats

Potential labor shortage.  
Strikes.  
Competitor's higher wage rate.  
Government control on it.  
Efficient management team of private operators.  
New entry of multinational operators.  
More trained pilots and engineers of other operators such as Thai Air, Singapore Airlines.

## Human resource strategic planning for Biman:

The demands of high-performance, quality oriented workplace require extra attention to some aspects of human resource planning. Successful reengineering often means that the same amount of work can be done by fewer people, necessitating planning for reduction in force or redeployment of employee to others jobs or facilities. High involvement work system often feature lateral career tracks to encourage multiskilling. While there will be fewer manager or supervisor, they may be more likely to be promoted from within.

## Strategic Planning for Biman:



As we discussed about the Strengths, weakness, opportunity, threats of Biman earlier (see **figure** ), those are the components of Strategic framework. However, now we will discuss about the Strategy formulation, choice and evaluation and implementation of that.

**Creation of Strategy:** It will provide direction to the Biman. What to do in the intense competition. Strategy will enable Biman to accomplish its mission while being guided by an *investment perspective*. As we did SWOT analysis earlier, now Biman is ready for strategy formulation as well as creation.

**Choosing from Alternatives:** All the strategic alternatives will not be fit for Biman. Since any organization has some limitations in terms of physical asset, management skill etc, Biman has to choose any one or two alternative based on its judgments. What are the factors that will affect the decision for choosing?

1. Availability of resources
2. Management ability/skill
3. HR availability
4. Objectives
5. Time frame
6. Competitors ( Domestic & Foreign)

And **Implementation** of those strategies will require resource and ability to utilize those resources. Key issues in implementation:

1. Reward & Development
2. Management by Objectives (MBO)
3. Graphic Rating Scales
4. 360-Degree Feedback
5. Effectiveness of Performance Measurement
6. compensation innovations
7. Training Programs
8. Apprenticeships

A **distinctive competency** is obtained through highly developed employee skills, distinctive organizational cultures, management processes, and systems; but not the other resource based advantages.



## Job analysis for Biman:

Traditional job analysis may be somewhat less relevant in a high involvement organization. This is so because the work is less specialized and less static. Consider the job of operator, they are responsible for routine machine and equipment maintenance.

It has been suggested that job analysis for high involvement organization should focus to a greater extent on worker attribute ( attitude, personality, skill and knowledge) then on specific tasks.

So analyzing job rationalized posts can be grouped into 3 catagories:

1. Managerial Services
2. clerical Services
3. Support Services.

Category-wise posts are shown below:

### Category-1:

1. Managing Director
2 General Manager
3. Deputy General Manager
4. Assistant General Manager
5 a) Senior principle officer b) Senior principle officer computer
1. a) Principal Officer b) Principal Officer
2. a.) Senior officer b) Senior Officer (cash) c) Senior Officer (computer) d) Senior Officer ( Engineering)
3. a.) Officer b) Officer ( Cash) c) Officer ( Computer) d) Officer (Engineering)
4. a) junior Officer b) junior Officer ( Cash) c) junior Officer ( Computer) d) junior Officer (Engineering)

### Category 2:

1. a) Senior cashier-cum Clerk b)Senior Assistants
2 a)cashier-cum Clerk b)Assistants

### Category 3

1. a) Driver b) Senior Armed Guard c) Care Taker d) Technician
2. a) Armed Guard b) Senior Messenger Cum Guard c) Machine operator
3. a) Messenger cum Guard b) Helper

### Staffing:

Major changes in job responsibilities, such as those occasioned by a shift to total quality management or self directed workteam, require substantial change in the type of people recruited and selected. In addition to looking for a core job skill one also would to see the basic mathematical skill (to learn statistical process control technique), interpersonal skill (to work effectively in group), and a high level of motivation to the responsibility.

And additional staffing issue in implementing self directed work team and other highly participative system is that some old style supervisors have a hard time changing their management approach in the required way.

### Human resources requires in:

1. Professional Managing Director
2. Expatriate in the top management level
3. Biman flight catering centre
4. Biman engineering hanger
5. Bangladesh Airline Training Centre
6. Biman Poultry Complex
7. Reservation system,
8. Departure control
9. Communications systems



## **Training & Development:**

Everybody stressed the need to ensure quality service for survival of airlines business in a competitive world. So, airlines need more trained and skilled people. The employees and pilots of Biman get trained from domestic and foreign institutions.

### **Some training courses of Biman:**

1. Cargo marketing - Dangerous Goods Regulations for Cargo Agents Personnel.
2. Airlines Quality Audit - with especial emphasis on safety management system.
3. Legal regime of service conditions of workers in Industrial and Commercial Establishment.
4. Statutory safety requirements for employees, entitlements on leave and holidays and compensation for injury by accident.

### **Training in Biman is Organized and conducted by instructors from:**

1. International Air Transport Association (IATA).
2. Bangladesh Airlines Training Centre (BATC) in Dhaka.
3. Aviation Training and Development Institute (ATDI).
4. European Union-South Asia Civil Aviation Co-operation Project.

### **Participants of the course would be able to improve:**

1. The quality of management and services through imparting their knowledge and expertise in their respective fields.
2. Knowledge about dangerous goods and its carriage regulations to cope with the increasing demand for airline safety and smooth operation.
3. And to enhance good governance in management.

During training at BATC, the participants will undergo an *intensive learning process* on their related field and they will be familiarized with 'theoretical aspect' and 'On-job-training'.

## International Facilities for Training & Development:

The IATA Training & Development Institute offers the largest selection of management and skills courses for airline, cargo, airport, civil aviation and air navigation services professionals. Whether your expertise is in the field of law, management, finance and accounting, revenue accounting and control, marketing and sales, fares and ticketing, operations, safety and security, or professional training, you will find the most effective tools to help you perfect you're administrative, management and leadership skills.



## Compensation System:

Consequent upon upward revision of pay scales may be practiced by Biman:

1. Managing Director	
2 General Manager	Tk 25,000-2000-55,000,HR-50%,HM-7500,Medi-1500,ENT-2000 Total-48,500.
3. Deputy General Manager	Tk 20,000-1200-38,000,HR-50%,HM-6000,Medi-1500,ENT-1500 Total-39,000
4. Assistant General Manager	Tk 15,000-800-27000, HR-50%,HM-6000,Medi-1500,ENT-1000 Total-28,000
5 a) Senior principle officer b) Senior principle officer computer	Tk 11,500-600-23500,HR-60%,HM-2000,Medi-1000,Lun-500,Con-500 Total-22,500
6.a) Principal Officer b) Principal Officer	Tk 9500-500-19500,HR-60%,HM-1000,Medi-1000,Lun-500,Con-500 Total -12,600
7.a.) Senior officer b) Senior Officer (cash) c) Senior Officer (computer) d) Senior Officer ( Engineering)	Tk 6000-400-14000,HR-60%,HM-1000,Medi-1000,Lun-500,Con-500 Total-12600
8a.) Officer b) Officer ( Cash) c) Officer ( Computer) d) Officer (Engineering)	Tk 4500-300-12000,HR-65%,Medi-800,Lun-500,Con-500 Total -9225.
9a) junior Officer b) junior Officer ( Cash) c) junior Officer ( Computer) d) junior Officer (Engineering)	Tk 3800-250-10500,HR-65%,Medi-800,Lun-500,Con-500 Total-8070.

## Appraisals retain and reward system:

However participative the regime, though, the manager has a paramount obligation to ensure that all necessary resources are provided - 'including the employee's skills, information, other people, equipment, funds, authority, and time.' Moreover, the focus must stay firmly on performance - with clear 'standards or guidelines by which you will evaluate performance - what you consider important and how much you expect - including ethical standards.'

The reward system must match your objectives and meet your employees' expectations and motivational needs. Feedback must be prompt. In the words of a great Japanese manager, Toyota's Seisei Kato, 'Always reward merit, but never let a fault go unremarked' - but accompany the fault-finding, says Tagiuri, with an offer of assistance. That's one way to get an essential element that's only in the employee's gift - trust: 'admit your errors, don't tell lies, and if you cannot keep a commitment, explain why.'

There's no hint here of abdication, note. The manager still manages: the last of these Ten Commandments, in the Harvard Business Review, is 'Make the decisions that are yours to make.' In fact, the whole decalogue reminded me powerfully of a remarkable speech, delivered with remarkable results, that I've commended to management audiences for many years. The speaker was the future Field Marshal Montgomery. He had taken over an Eighth Army in dire trouble and promptly talked to his senior officers in uncompromising terms.

He stressed that there was no alternative to another decalogue: (1) trust: the boss earns the trust of others in part by trusting them - and telling them so (2) teamwork: the work of management can only be done together (3) a positive culture: 'I do not like the general atmosphere I find here. It is an atmosphere of doubt, of looking back. All that must cease' (4) objectives: which must be sharply defined and (5) clearly communicated (6) confidence: the self-confidence of the leader or leaders and the confidence of the organisation go hand-in-hand.

(7) Back-up with all necessary resources is essential. (8) performance: getting things done as and when they should be, willingly and without excuses (9) humanity: the touch and the attitude which indicate caring (10) emphasis on results: applying aggression of the controlled and rational type to out-achieve the competition.

## Compare with other airways:

### Singapore Airlines:

Biman can not think about competing the giants such as United Airlines, American Airlines, and British Airways. Because they are efficient in terms of fleets and management and they are expensive to travel. But Biman can try to learn something from Singapore Airlines. This Airline is not usually for people who can spend more rather it is a cost-efficient airliner and usually mass people of middle and lower purchasing power use it. Still it is making profit and efficiently operating and gaining public confidence.

It reduced its operating expenditure by:

1. No travel agent reservations
2. Focus on customer satisfaction not luxury
3. High level of employee dedication
4. Optimum number of staff and management.

The airline began service June 18, 1971 and topped the monthly domestic (USA) originating passenger rankings for the first time in May 2003. Southwest is also the largest carrier based on scheduled domestic departures. Southwest is the United States' most successful low-fare, high frequency, point-to-point carrier. It operates nearly 3,000 flights a day with more than 31,000 total Employees throughout the Southwest system.

Southwest Airlines offered insight into the HR practices that have made it an industry leader. Southwest has excelled by focusing management attention on building *relationships with front-line employees, among front-line employees, and with external parties* including suppliers and *labor unions*. We also show how southwest's management approach has complemented their **strategic choices** regarding market niche (primarily short-haul flights) and method of service delivery.

Southwest has been recognized by *Chief Executive Magazine* as one of the "Top 20 Companies **for Leaders**" in 2002 and 2003. Hewitt Associates, a global **human resources** consulting firm, conducted a survey to explore the **organizational levers that contribute to leadership strength and depth** in over 320 major companies nationwide in 2003.

Southwest Airlines will be awarded the 2004 Performance Through People Award by The Forum for **People Performance Management and Measurement** in September. Awarded by the Medill School of Journalism at Northwestern University, the honor recognizes companies that successfully capitalize on the human interactions that impact a company's long-term growth. Management at the companies awarded openly recognize that their business success is due in **large part to the hard work of dedicated Employees.** Past winners include Dell, Nordstrom, Marriott, and The Container Store. **Source: southwest.com**

## Comparative position in the Global Airlines Industry:



Star	Ranking classification
★★★★	= Excellent
★★★	= Good
★★	= Fair
★	= Poor
	= Very Poor
	= not applicable
N/A	applicable
U	= not ranked

### :: BIMAN BANGLADESH ::



Certified 2 Star Airline

#### a Biman Bangladesh Passenger Comments

Home Base Airport Ranking = Dhaka Airport

### SUMMARY RANKING

Combined Quality of Product / Staff service in airport and onboard environments

**Business Class** ★★ ★

**Economy Class** ★★

### Airport Services

Check-In service - Business Class ★★

Check-In service - Economy Class ★★

Transfer Services - Business Class ★★

Transfer Services - Economy Class ★★

Arrival Services ★★ ★

Business Class Lounge - product facilities ★★

Business Class Lounge - staff service ★★★

### **Onboard Features**

Inflight entertainment may vary according to aircraft type

Cabin Safety Procedures ★★★

Inflight Entertainment ★

Amenities, Blankets, Pillows, Towels etc ★★

Airline Magazine, Newspapers & other mags ★★

### **Cabin Seat Comfort Guide**

Seating may vary according to aircraft type

Business Class - long haul ★★★

Business Class - regional ★★★

Economy Class - long haul ★★

Economy Class - regional ★★★

### **Onboard Catering**

Business Class meals - long haul ★★★

Business Class meals - regional ★★

Economy Class meals - long haul ★★★

Economy Class meals - regional ★★

### **Cabin Staff Service**

Business Class - service efficiency ★★★

Business Class - staff attitude & friendliness ★★★

Economy Class - service efficiency ★★

Economy Class - staff attitude & friendliness ★★★

Responding to Passenger requests ★★

Cabin presence through flights ★★

Assisting Parents with children ★★

Staff Language Skills ★★

Sources: [skytraxsurveys.com](http://skytraxsurveys.com)

## Solutions:

Many companies refer to HRM as involving “*People Practice*”. The *figure* emphasized that there are several important HRM practices. HRM practices include Analysis and Design of Work, HR Planning, Recruiting, Selection, Compensation, Training & Development, Employee Relations, Performance Management.

Biman needs these *people practices* in order to determine:

- ❖ Human resource needs (HRP).
- ❖ Attracting potential employees (Recruiting)
- ❖ Choosing right employees (Selection)
- ❖ Teaching employees how to perform their jobs and preparing them for the intense competition in the Airline Industry (Training & Development).
- ❖ Rewarding employees (Compensation)
- ❖ Evaluate their performance (Performance management)

## Proper HR planning:

If we were in the management of Biman we first of focus on the whole management structure of Biman, means we would focus on the reengineering aspect of the whole hierarchy. We have found the main problem arise in Biman from the top management, which reflect the unstable performance in the other associated staffs involve in Biman. Because they don't practice participatory management in the every level of the organization. Their management value is fully autocratic which is mainly determined by the ministry as a result of which the general staffs are deprived. So our recommendation in order to solve or alleviate the present scenario would be reengineering the whole management and the two way communication should be predetermined.

## **Biman must be put to the Competition: Biman needs to be Competitive:**

As we said that in Service Sector, there are some industries such as Airlines, Health, Tourism, Entertainment etc are highly competitive.

In the intense competitive environment firms can not *hibernate* themselves. To survive, they need to compete.

Biman needs to demonstrate proper intelligence in the forceful competitive market.

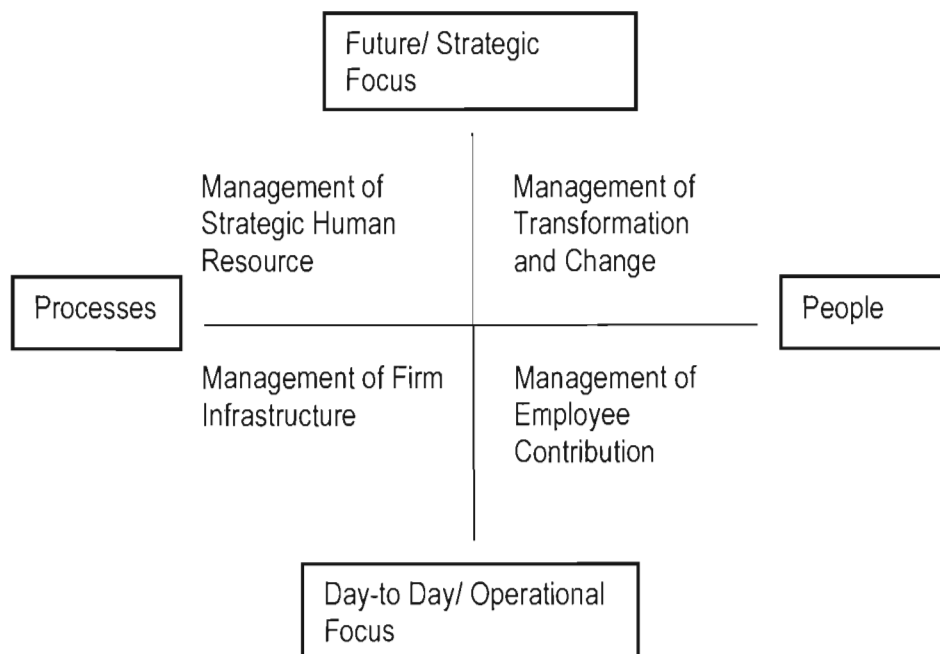


A Dynamic or forceful Chemistry of competition exists in the airline industry. Now a day, airlines need to compete with domestic as well as international service providers. Biman must realize the importance of being active/ sensitive participants in the market. If every time government carries the burden of Biman, it will not be able to build its **Strength**.

The main reason of the survival of Biman is the assistance of the government and the **Captive Market**.

## How to build a Competitive Organization and how HR can play roles:

The figure shows the HR roles in building a Competitive Organization.



## Developing the high potential employees:

Initially large pool of employees may be identified as high potentials. But numbers are reduced due to:

1. Turnover
2. Poor Performance
3. Personal Choice

### In Step I:

- a. select high potential employees
- b. select who completed Elite Academic Programs
- c. Select who show outstanding performance
- d. *Psychological Tests* such as *Assessment Centre* can be used.

**Step II:** Employees receive Developmental experience.

Employees need to demonstrate good performance, sacrifice for the firm, show good communication skills, and show talent for leadership.

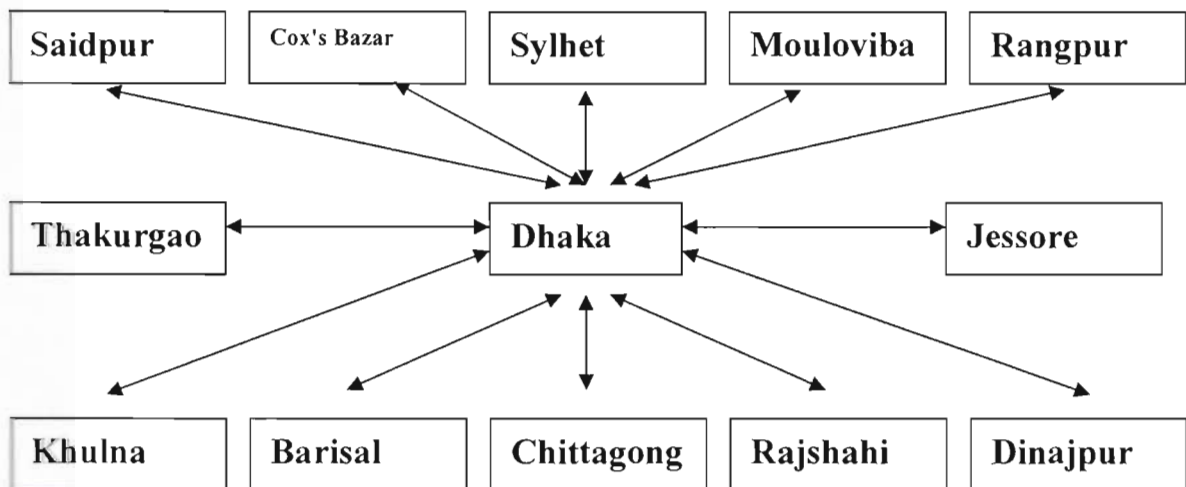
**Step III:** Top management want to see their employees as fit into the organization's culture. Employees should represent the company successfully. These employees has potentials to occupy top positions.

### **Virtual Work Team**

As Biman Bangladesh offers 16 Domestic and 102 International flights, consisting 13 local and 28 world wide branch offices, each needs to be connected and interact with other each and every moment.

In order to facilitate Seat reservation and improved customer\_services, Biman can form a **Work team** (which will be *virtual*) with small number of people with complementary skills from different representative offices (branches) of different locations, countries who will be committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable.

### **Interconnected 13(thirteen) local branch offices:**



In the same way, offices that are beyond the border can be connected. The 28(twenty eight) international branch offices are in:

<b>Abu Dhabi</b>	<b>Amsterdam</b>	<b>Athens</b>	<b>Bahrain</b>	<b>Bangkok</b>
<b>Brussels</b>	<b>Calcutta</b>	<b>Delhi</b>	<b>Doha</b>	<b>Frankfurt</b>
<b>Hongkong</b>	<b>Jeddah</b>	<b>Karachi</b>	<b>Kathmandu</b>	<b>Kualalumpur</b>
<b>Kuwait</b>	<b>London</b>	<b>Manchester</b>	<b>Mumbai</b>	<b>Muscat</b>
<b>New York</b>	<b>Paris</b>	<b>Riyadh</b>	<b>Rome</b>	<b>Singapore</b>
<b>Tokyo</b>	<b>Yangoon</b>	<b>Dubai</b>		

And it will result in better utilization of Human Resources such as:

1. Improved decision making
2. improved performance,
3. improved quality,
4. increased flexibility,
5. simultaneous cross-functional product development,
6. reduced labor costs,
7. lower employee turnover, and
8. greater service efficiency

### **Reduced excess employees:**

The teams can be connected through a computer-based system and a network of local and overseas terminals. Each team member will be able to makes all contacts, bookings, sales status, co-ordination and other communications among all branch offices.

Their authorized travel agents can also be team members.

But sometimes Virtual Work teams may create dysfunctional groupthink phenomenon and norms of production restriction and effectiveness as well.



## **Centralized management:**

Decentralized management should be our prime focus if we want to practice the participatory management practice in the organization. There should be a legal framework of the management in each and every sector of the organization. They should ensure practice pro-active management in each every level of the organization so that they can have competitive in the present market.

## **Selection Policy:**

There is severe biasness of recruiting the top level staffs of the organization. While they should recruit those people, who have the associated technical and industrial skill of the airline sector but they recruit defense officer in various top levels. But we have observed those top level staffs were not as competent as to the present airline industry. And they are not constructive in managing the staff's works under their supervision. We need to consider the bravery issue which obstructs the right people in the right place. So selection policy should very transparent and structured in order to conduct the selection procedure in line with the organization.

## **Succession planning:**

Biman's successful planning is based on experienced rather than that of quality and potentially. This becomes the severe problem for Biman especially for getting the right people in the right place for the Biman. The issue got serious as we can see the post of CEO is vacant for last night month. Being their we would reengage the succession plan fort the Biman.

## **Training and Development:**

Biman lacks in planning in training and development. We have observed that, there are skill deficiency in the mid level employee of Biman specially in ADMIN and pilot. The root cause of this deficiency is that, there is no continues training and development. Basically we have found that mid level managers receive defective on the job training which need to be revised further. We could ensure coaching method for their development. In order to solve the situation there could be multiple solutions. If we were in the management of Biman, we would consider several methods like Business game, Discussion and case study and apply them in the appropriate situation. Apart from this we can sent top and mid level managers in abroad for specialized training in respective fields. And will be conduct on need basis.

## **Participatory Management:**

Participatory management is the pre-requisite of industrial peace and harmony of any organization, which is completely absent in Biman. They don't take continuous feedback from the various level of the organization in order to analyze the present situation and take appropriate decision like purchasing aircrafts and its appliance. We would like to practice integrated linkage system while formulating our strategy. We have observed Biman practices valueless outsourcing by ignoring the present competent pilots and the pilots they outsource from abroad, demand five times more compensation package in compare to the local pilots. Regarding training, Biman don't provide the training according to the necessity of the perspective employees. So in order to ensure the emergent strategy we always need to have the continuous flow of feedback from the various organizational levels.

## **Open book management:**

We have found lacks of Open Book Management in Biman. If we were in Biman's Management; we would ensure Open Book Management in Biman. By doing so certainly, we could avoid the two problems occurred there.

One in the form that Top level management lost too much money in purchasing two aircraft to carry the Hazz pilgrims where only one was sufficient. And this very information could be ventilated by those staffs of BAPA.

Due to lack of performance sharing system which is the prime focus of Open Book Management Biman defectively outsource 08 pilots that we can avoid though our efficient Bangladeshi Pilots.

## **Customer centric management:**

**Differentiate Or Die** By Jack Trout can be the best advice for Biman. We, bunch of Young swingers would love instill several changes in the Biman's view on its prospects. We would love to delight our Customer offering value innovation to their lives. That would be our Management Value in this aspect.

## **Performance based reward system:**

We would like to re-engineer the entire reward system of Biman. We found traditional reward in Biman that obstructs meritorious people to further re-enforce their performance. In Biman reward are given based on the nepotism and

individual biasness in the organization which should be avoided in order to recognize and motivate the deserving employees.

### **Promotion:**

Promotion is the corner stone of many air lines service providers. Most surprisingly we have found Biman is careless in this issue! Even the local airline like GMG and Air Parabat are very visible in the print and broadcast media. This make the whole scenario more complicate for Biman ever before. Its zero attempts have got no impact in the customers mind as well. As a result Biman drastically fail to create and retain its customers.

## **Privatization - bringing dynamism and commercial attitude in Biman management:**

Worldwide the governments are the most inefficient in managing the resources or any organization.

In a recent report, the **World Bank** has suggested the government to immediately review its ***policy on divesting*** only a minority share of Biman Bangladesh Airlines in its search for a **strategic partner**.

Increasingly, governments around the world are viewing privatization as an important factor in *attaining broad economic and public policy objectives*.

Government was to seek the participation of ***international strategic investors*** in the form of the sale of an equity interest of Biman of up to 40 percent. Biman intended to issue new shares to a strategic airlines industry investor or a consortium comprising a strategic airlines industry investor and one or more financial investor. The proposed investment consisted of a minimum of 10 per cent and a maximum of 40 per cent of enlarged share capital of Biman.

The airline is 100% owned by the Bangladesh government. However, Biman Bangladesh Airlines plans to privatize 49% of its capital. The government is now planning to offer 40% of Biman to foreign airlines, with the intention that the buyer will assume management control of the carrier. **A further 9% of the airline will go to employees.**

***If employees can enjoy the ownership, it will enable Biman to have a better management team. Everybody will be motivated to put their best effort and use their potentials to enhance the profit of it as the profit will be distributed among the owners. So, it was an influential tool to motivate the employees.***

With the initiation of the restructuring and commercialization, it was thought that privatization is the only way to free Biman from bureaucratic control, bring dynamism and commercial attitude in its management.

But poor response from prospective investors dampened the effort and now it seems to be dead.

## **Dealing with SKILL OBSOLESCENCE:**

Technology has been changing frequently. Newer and newer fleets are added in airlines. So, operators or pilots or engineers who used to run those machines will become obsolete. And that can limit an organization's strategic alternatives. So Like machines, they must be renewed or re-trained.

In addition to that, newer methods of operating and managing the organization are emerging. Biman will have to adapt the modern management techniques so that it does not fall behind.

## **Dealing with shortage:**

Biman has been suffering from pilot crisis not from managers or staff crisis. In the face of acute pilot crisis in Biman Bangladesh Airlines, the government decided to sell off two Advanced Turbo Prop (ATP) aircraft, which were repaired recently to operate in the domestic and regional routes.

It has been learnt that recruitment of pilots has been suspended for the last five years. The former ATP pilots and engineers were transferred to Airbus, DC-10 and F-28. Consequently, a vacuum was created.

According to a senior pilot of Bangladesh Biman, every year five to seven pilots take retirement from the national airlines. But the vacuum left is never filled in accordingly. Due to this, frustration has prevailed among the junior pilots.

Recently a number of pilots have been undergoing a training program. The crisis is expected to be over after completion of their training.

## **In addition to Training, Biman can deal with the shortage by following ways:**

1. Technological innovation that reduces the requirement of more people
2. Outsourcing
3. Temporary Employees
4. External Hires
5. Turnover reduction etc

## **Outsourcing [Pilots, management and CEO:**

What Biman need most-apart from restructuring and new fleet-is **professional person** to run its affairs. There are many who like to see Biman prosper as a dynamic airline thinks that if no such person is available in the country then the government should think hiring some one from outside. This is nothing unusual, a



number of successful airlines have **foreign CEOs**. World renowned multinationals operating in Bangladesh has their CEO from foreign territory and they are operating efficiently and earning profits. Such as: BATB, Unilever, Unocal etc.

### **Succession Planning:**

Middle management of the Biman may not be ready to move into upper management position due to skill weakness or lack of needed experience. This creates a need of Succession Planning.

Through the *Succession Planning* Biman will identify and track high potential employees.

It requires senior management to systematically review leadership talent in the company. It will assure that the top managerial talents are available. It will provide a set of developmental experience that managers must complete to be considered for top management positions.

### **Value Chain Analysis:**

Competitive advantage of any grows out of the way firms organize and perform discrete activities. The operation of any firm can be divided into series of activities. Firms create value for their buyers through performing those activities.

1. **Primary Activities:** inbound logistics, outbound logistics, operations, marketing, Sales-Services.
2. **Support Activities:** Infrastructure, Human Resources Management, Procurement, and technology.

For Bangladesh Biman, Human resource is considered as the primary activities that it must perform to create value and increase the margin.

Firm must determine whether it can increase the quality of the activity by itself or not. If it can not, it may outsource it. But it has some costs.



## The Ultimate Result: Are the customers satisfied?

Are the customers satisfied with the services provided by the Biman?

To have the answer of the question, we need to follow at least two types of approaches. Such as:

1. Audit Approach
2. Analytical Approach

**Audit Approach:** Type of assessment of HRM effectiveness that involves review of customer satisfaction or key indicators.

**Analytical Approach:** Type of assessment of HRM effectiveness that involves determining the impact of, or the financial cost and benefit of, a program or practice.

In addition to that, if the **margin** of the **Value chain** increases, then we will understand that customers are paying more and the number of customers is increasing. So, the Human Resource of the organization is performing what they are supposed to perform. The goal is achieved.

## **Recommendation**

All our analysis, recommendation and other discussion were all about the problems of Biman. Biman does not have anything other than problem. But it possesses lot of potentials and our national reputation is tied with the name of Biman. So, betterment and welfare of Biman is crucial. There are no options before Biman except come back to their business. Biman Bangladesh Airlines the way by which our country is represented by all over the world. So the reputation of Biman is highly involved with our country's reputation. If we love our country and feel proud for being a citizen of this country we should not let the Biman down. Though Biman has small resources, if Biman use that resources properly in near future Biman may become a reputed and profitable business and can may become roll model for other country. Proper management, honesty, willingness and patriotism can lead the Biman to go that position which is now become a dream. So we should work together to convert the dream in reality.

## CONCLUSION:

All our analysis, recommendation and other discussion were all about the problems of Biman. Biman does not have anything other than problem. But it possesses lot of potentials and our national reputation is tied with the name of Biman. So, betterment and welfare of Biman is crucial.

But how does Biman can improve itself by utilizing its Human Resources along with other resources? We had a nice analysis about that in this paper.

As we know that the Airlines Industry is highly competitive. Here competition re ready and well-equipped with their efficient management team and modern fleets. So, everybody in this industry have to respond quickly and demonstrate their intelligence. Sensitivity is important for such kind of industry. Airline is al about services. We have to satisfy customers by our serviced. Better understand its customers, their needs and how Biman can uniquely provide an even better travel experience.

People – HR can enable airlines to provide that.

The formula is universal: to quote Fortune, 'Hire nice people, treat them well, encourage them to bind emotionally with the company, train them continuously, and equip them with the best technology. Then the customers and the profits will follow.'

We have to be aware of other operators in the same industry. And we have to perform qualitative and quantitative research – that includes customer and employee surveys, to provide a strategic HR framework to better build its Human resources.

# THIRD PART

## (APPENDED PART)



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2. [www.google.com](http://www.google.com)
3. [www.yahoo.com](http://www.yahoo.com)
4. [www.southwest.com](http://www.southwest.com)
5. [www.iata.org](http://www.iata.org)
6. [www.frontierairlines.com/](http://www.frontierairlines.com/)
7. [info@skytraxsurveys.com](mailto:info@skytraxsurveys.com)
8. [holiday@bangla.net](mailto:holiday@bangla.net)
9. [www.britishairways.com](http://www.britishairways.com)

### Newspapers:

1. The Daily Star
2. The Independent
3. The New Nation
4. The Observer
5. Prothom-alo
6. Zugantar
7. Financial Express