# Free arik air essay example

**Engineering**, Aviation



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# **International Human Resource Management**

**Business** 

Arik Air is one Nigeria's largest airlines and one of the largest airlines in all of Africa. It employs close to 10 percent foreigners as part of its employees. Recruiting and retaining expatriates to work as pilots or for other positions in the airlines requires higher salaries than that paid to native workers. However, disparities in wages between expatriates and local employees can be difficult, and for a company like Arik Air, the work of the human resource can be tricky and complicated.

### Introduction

Arik Air was founded in 2002, after Sir Arumemi-Ikhide, a leading and wellrespected Nigerian businessman, believed that business could succeed only
if there was efficiency and quality of service in whatever one did. Having
travelled many years by air in Nigeria, Sir Arumemi-Ikhide wasn't particularly

happy with the services there. Therefore, he came up with the idea that efficiency and quality of service can improve only if there was healthy competition (Arik Air). It was not until 2005, when Sir Arumemi-Ikhide brought together an experienced airline start-up team and quality aircrafts, did Arik Air set new standards that changed the face of the aviation industry in Nigeria. Initially, Arik Air flew only to countries in Africa, and in 2009, it began its operations to New York, and London. In 2013, Arik Air it bought another wide-bodied, long-haul A330-200 aircraft (Arik Air). Arik Air gives a lot of importance to human resourcing; public relations, overseas airport and station management; and client relationship management, among others. Based out of London; one of the world's most well-known and popular international gateways, Arik Air has a vantage point to advertise Arik's unique West African message (Arik Air).

## **Analysis**

Multinationals design their HRM policies and practices based on a country's economic, social, political and legal environment. Therefore, when multinationals do embark on a trans-national business venture, they need to consider the historical and cultural background of the country where they plan to do business, says Hofstede in (Fajana, Owoyemi, Elegbede & Gbajumo-Sheriff, 2011). Nigeria lacks professionalism and specialisation, and HR initiatives have focussed on developing these critical areas of HRM. A number of reasons are attributed for this; the socio-cultural diversity of Nigeria has influenced HRM practices. The country is over reliant on culture, language, religion, gender and educational qualifications as a basis for determining employment, because of which, the opportunity for an average

Nigerian to get employment is limited (Fajana, Owoyemi, Elegbede & Gbajumo-Sheriff, 2011).

Nigeria remains troubled by a large workforce of unskilled labor, and a limited number of skilled workers, says Fajana (2009). This has put enormous pressure and challenge on HRM to attract, develop, include, and retain skilled labor. There is a need for effective management of labor, but the lack of indigenous and comprehensive HRM models continues to challenge HRM practices in Nigeria. However, the majority of principles and practices seen in workplaces in Nigeria show them to be adopted from other countries (Fajana, Owoyemi, Elegbede & Gbajumo-Sheriff, 2011). The practices reveal the conniving mix of western-inspired approaches with native cultural and institutional influences.

According to Muogbo (2013), most of the attention targeted small scale businesses by Nigerian policy makers, politicians, practitioners and academics. Nothing substantial has been done on strategic management practices within the small business sector of the Nigerian Economy. This is worrying, as there seems to be no nomenclature on the importance of small and medium scale business organizations in employment and economic growth. Unlike Small and Medium Enterprises (SMEs) in western and major Asian countries like China, India, and Vietnam for example, most SMEs in Nigeria lack financial and structured support from their government. Because of this, most of these units struggle amid intense competition and business rivalry with larger firms. HRM practices in Nigeria continue to remain in its 'infancy' stage.

If Arik Airlines is purchased by an American company, it has to consider the

historical and cultural issues of the native land before it devises or develops a plan to address the issue of hiring and maintaining a well-qualified pilot staff and making them all feel welcome under the new American parent company. In the U. S, HRM policies and practices are individualistic and focus on hard work, individual brilliance, strong decision-making skills, and strong presentation, for which, promotion and high incomes are awarded, says Tayeb (2000). The American rule of individualism encourages managers to promote, on the basis of merits as against status, hierarchy, or gender. Another feature of US business is their anti-trade unionism. Americans would rather have an individualistic approach to problems and issues, rather than groupism, as they find it much easier to work with them on their terms rather than bow to others. In most of the non-unionized sectors, redundant workers can be laid off, and employment contracts terminated without reason. Also, large American companies prefer to deal with their employees through HRM policies and practices rather than through unions. In a study to understand how well HRM practices were in Nigeria, a number of owner-manager of small and medium paint manufacturing firms located across Anambra State Nigeria were identified (Muogbo, 2013). Of the 128 questionnaires sent, 106 usable questionnaires were returned. The majority of the respondents who answered the questionnaire were males. The respondents were within the age bracket of less than 35 years, and 45 years and above. Most of them were persons with first degree, master's degree, and with secondary education. This experiment showed that most of the paint manufacturing firms were managed by persons with middle level educational background.

## **HRM Initiatives**

Given the background of the study, as the person been tasked with coming up with a solid human resource plan for the new American owners of Arik Air, it is clear that most of the middle management positions in Nigeria would go to the natives, while the major positions, including those of senior manager level, would go to employees from the United States and other countries. The reason for having middle management positions for Nigerians is that they can be trained to perform specific tasks assigned to them because of their educational qualifications. They are educated, and can quickly grasp things told to them. By putting them through training programs, they can become efficient, second-level administrators. This will not bring about any resentment on salary disparities. Also, the since the labor class forms a majority, all, if not most, technical and labor-centric jobs in Nigeria can be offered to Nigerians. Here too, there will be no disparity in pays. The labor class will be the most difficult to handle, as there could be unionism among the lower classes of workers. By encouraging them and giving them a better pay, the labor class is sure to remain loyal to their employer. HR policies that encourage team work, continuous training, and rewards based on performance will enhance the quality of work.

Eze (2014) reported that Nigerian domestic carriers lose over N500 billion annually to expatriate pilots and engineers in terms of salary, allowances and accommodation costs. This amount can be reduced once American pilots begin to fly Arik Air, and a number of Nigerian pilots are given enough flying hours to practice to fly larger aircrafts. Flight simulators employed to train pilots can be used to train qualified pilot trainees, and once they graduate to

fly larger aircrafts, they can be promoted to commercial pilots with the salary offered to new pilots. Similarly, the duties of engineers will have to be initially under the control of foreign engineers trained to handle large aircrafts, but once Nigerian engineers are trained to handle large aircraft maintenance on their own, they can also be graded to the rank of aircraft engineers with same salaries as their counterparts. This way, the issue of potential local resentment of expatriates can be overcome.

#### Conclusion

Organizational structure and culture is important in building a great team of performers in an organization. Be it bureaucratic or cultural, structure plays an important part in designing strategic goals of an organization. Managers must play a secondary role of team member to elicit more response from the team members, for employees would rather like to be seen as a part of a family rather than a worker. In providing opportunities to the natives by way of training and motivation, employees will feel welcome. While both, bureaucratic and cultural control structures have their share of advantages and motivational activities, they may not be viable under different regional conditions. However, what is imperative is that an organization must build its structure to gain valuable insight into the highly competitive global market.

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