

The emirate airlines and its products tourism essay

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



The Emirate Airlines and Its Products

Emirate Airlines is the largest airlines in the Middle Eastern region and has been operating over 2, 500 flights in a week. It has been operating for 122 cities and over 74 countries in all the six continents. The company has been operating four longest non-stop commercial flights of the top 10 flights. It has also been operating cargo activities for the emirates group under the name of Emirates sky cargo division. The airlines has been a subsidiary of the emirates group which is wholly an organization owned by the government of Dubai having over 50, 000 employees and controlled directly by the investment corporation of Dubai.

Gulf Air started to decrease their services in Dubai during the mid-80s and resulted in the emergence of the Emirate airlines. It was conceived in the year of 1985 in March and has been financed by the royal family of Dubai. The Dubai Royal Air Wing of the Dubai Royal Family provided two aircraft to the airlines as their first aircrafts. The government provided an initial start-up capital of \$10 million and the airlines was to operate independent of government subsidies. The airlines present chairman Ahmed Bin Saeed Al Maktoum headed the organization.

The Airlines is one of the only nine airlines in the world that are operating an all-wide body fleet of aircrafts, operating a mixture of aircrafts like Boeing and Airbus having a centerpiece as Boeing 777. An order of 90 Airbus A380s has already been ordered by the emirates of which 20 aircrafts has been already delivered and are in service and also after the Singapore airlines is the second Airlines to have the Airbus A380-800 to be in operation after the

delivery of their first aircraft on 28 July 2008. The Airline has been one of the largest buyers of the Aircrafts and has purchased over 130 aircrafts in the year of 2007 alone.

They has been the largest carrier in the Middle East in terms of fleet size, Passengers carried and revenue and has been ranked amongst the top 10 carriers worldwide as per the passengers and revenue generated by the airlines till 2007. The company was the largest in terms of number of scheduled passenger kilometers flown in the world internationally and has been the fourth largest airline in the world. Also they have been the third largest as per the scheduled freight tonne-kilometers flown.

Environmental forces

Demographic Environment

Dubai being the fastest growing emirates has around 300, 000 people that are added to the population of UAE every year (Uaeinteract. com, 2009). The airline sector of UAE has been ever growing as a result of this growth rate and the wide spread geographical area and the densely populated cites of UAE. This has resulted in a larger market compared to smaller countries. It has been observed that most of the population of UAE is comprised of young people and which will result in providing a base for the aviation industry in the coming years. Most of the people that travel through flights are aged 50 or above as they have more time to meet their friends and family as compared to young people who are mostly busy with their life and are working. As a result of large young population there is scope of larger

number of older people in the near future. Educated people can afford to travel by air as they have made their earnings.

Employees of multinational corporations have to frequently travel to other countries and are very important customers for the Emirate Airlines (Sardone, 2012). As per a survey conducted about 70% of the decisions related to vacation planning are made by women. In Dubai most families do not consult the women in the decision making but in the changing times, women have been influencing the decisions made which are concerned with the safety of the families. In the perception of travelling the safety of the family has been a major concern for the women in the family rather than money hence the cost and other travelling opinions are second. The women are more likely to go for a trip that is both economical and safe so the company has to highlight major perspective and add attractive points in order for the women to choose their airlines such that the company can have a safe journey at a minimal cost. Airlines tend to decrease the cost of the tickets of the flight for the destinations which are less safe but for a matter of fact women tend to choose safety over cost of the trip (Dragon, 2009).

Economic Environment

The economic environment is related to the economic policies, economic systems and economic conditions of the country that have a direct effect on the economy and the functioning of the industry as a whole and also on the organization. A country with liberal economic policies has a positive effect on the industry as a result of the indirect influence of the bilateral trade agreements. As the increase in the rate of inflation, cost of fare, cost of fuel

and other factors, people tend to avoid travelling by airlines and only travel for unavoidable issues, and also they tend to use cheaper means of travelling.

The Global financial crisis did not have much impact on the airlines industry as a result of which currently the airlines industry is booming and Emirates airlines also took a benefit from this. In 2009 the inflation rate of UAE was 3% - 4% which was predicted to fall even more, before that it was around 11% which has resulted in less frequent travels around the globe (Uaeinteract. com, 2009). Now as there has been a drop in inflation and the value of currency in the country is high, people have more purchasing power and hence they will intend to travel more and most frequently by air. As a result the airline companies decrease their prices while recession and in boom they tend to increase their fare charges.

Socio-Cultural factors

UAE has coasts along the Indian Ocean as well as the Persian Gulf hence fishing is an important part of the Arab people's life. Islam is officially the religion of the people of UAE but still alcohol is available to the non-Muslim people living there and in hotels. The tourism is an important part of the country hence the airline services are also to be modified as per the tourists who come from other countries for the culture of the country and its tourism spots.

The cultural and social aspects of environment play an important role in the success of an organization and company like the Emirate airlines also have to comply to these as they have to work in this society. Keeping all these

factors in mind, Emirate airlines frames customized services, promotion techniques and prices. The price product strategy is to be devised such that the cost to those destinations that are being travelled less frequently should be low (AMEInfo, 2012).

Political & Legal Factors

As we are aware the Emirate airlines was very much under political influence during 2000s, the situation was in favor of the airlines. There were many for performing their general operations. Both the national and international laws had to be followed for successful operation in different companies. The prime problems that came to the mind of travelers included instability in international market and relationship between two countries. Emirate airlines fulfilled the NATO standards despite of high oil prices and high regional instability. (Emirates. com, 2012)

Technological Environment

The prime issues faced by the Emirate Airlines in such an environment include dynamic change in technology, countless opportunities for innovations, varying research and budgets for development. There has been introduction of Airbus A380-880 which provides better comfort to the passengers and due to its lightweight the fuel consumption is also less. Also the introduction of Boeing 777 was another great step in technological advancement as it enables to carry greater number of passengers and is also more fuel efficient. Another important advancement was use of bio-fuels which are more efficient and eco-friendly.

For accomplishing this task Emirate Airlines is closely working with the R&D division in order to inspire market-oriented research. A lot of other technological changes have been made like; use of internet based technologies to provide proper and easy record keeping of customers and hence provides better services, complaint mechanisms etc. (Emirates, 2012)

The Cultural Web

Following are the elements of cultural web given by Gerry Johnson (1988) in context to Emirate Airlines Invalid source specified.:

Stories

Emirate Airlines has been one of the most regarded companies not only in UAE but all over the world. Common external people have always been satisfied with the corporate behavior of Emirate Airlines. People always remark that company has been able to adhere to the needs of community and society. Also, the values of the company are able to meet the needs of environment. The employees also carry high morale while working in the Emirate Airlines due to effective leadership of high level management. Employees always talk about how the management has been able to make sure that employees adhere to the needs of other employees as well as to the internal and external environment. The new joiners are always told about the competencies and excellence of executive level management and motivated to learn many skills for acting effectively in the corporate world. Employees talks about the establishment of Emirate Airlines from just two aircrafts wet-leased from Pakistan International Airport. The current top story of Emirate Airlines among employees and stakeholders include the record

profit of AED 5.9 billion last year. The heroes of these stories include the names like His Highness Sheikh Ahmed Bin Saeed Al Maktoum who has been a pioneer figure in spearheading successful expansion of aviation industry, Sir Maurice Flanagan who is the executive vice chairman of the company, etc. Moreover, the communities belonging to over 100 cities have a great relationship with Emirate Airlines who admirably talk about the community initiatives like Emirate Airline Foundation, Emirate Friendship Hospital Group, Emirate CHES Home, etc. Overall, the company has been successful enough in generating a distinctive organizational behavior that is going to be a role model for rest of the airline industry.

Rituals and Routines

Customers expect the very diligence in the quality of service that Emirate Airlines has maintained over past several numbers of decades. Also, they like to be served in a standard way without compromising with the cultural variances in the different nations where Emirate Airlines offers services. They always remain satisfied with the company's diversity management approaches by which Emirate Airlines ensures the fulfillment of needs and demands of services of clients in global market. However, due to recessions and global economy slowdown customers expects the cutting down of prices of tickets. Furthermore, they always expect yearly newsletters and brochures with updated offers and schemes about tour packages that Emirate Airlines offers. Employees are also very enthusiastic about the benefit programs that company's management plan from them. They also expect their positive performance cards examined carefully by the management. They always show enough amount of zeal in participating in the execution of strategic

plans meant for improving the performance of company in the market. They seek learning in a friendly environment with their managers, sub-ordinates, and peers. These routines and rituals represent fairly pleasant organizational culture in Emirate Airlines with both customers as well as employees acting considerably in an agreeable manner. Moreover, any change if decided by the management could be easily entertained by the employees as they have an effective leadership to guide them through the change however the company may be required to give higher efforts to get immediate positive response from the customers.

Symbols

The company carries a symbol of high dignity and decorum with its name representing the matchless quality of products and services. The employees working client-side wears a disciplined and standard uniform while offering the most elegant aviation services to every customer they serve. Inside the organization, employees may find their bosses dressed up in the western corporate formal dresses as well as traditional Emirati dress representing the respect for cultural diversity by the company. The famous logo of the company can be easily found at numerous international airports all around the world along with the numerous cabs, vans, and other vehicles associated with Emirate Airlines. Company also sponsors a number of sport events where players can be seen carrying the logo of the company. These symbols represent high status of company in the airline industry with its unparalleled leadership in the aviation services. Staff working in the company is extremely proud of these symbols and take them as a pride while at the

same time customers like to be served by the company as well as wearing the caps or t-shirts carrying the logo of Emirate Airlines.

Organizational Structure

The organizational structure of Emirate Airlines is highly hierarchical right from His Highness Sheikh Ahmed Bin Saeed Al Maktoumas chairman and chief executive of company to the executive level management, senior managers, managers, and lower level employees. All 62, 000 employees working in 50 different business units of Emirate Airlines work in a hierarchy for smooth functioning of the company. The employees at the same level of hierarchy work with extreme coordination along with their managers and sub-ordinates in executing the planned work and making miscellaneous decisions during the work. This coordination is quite healthy and favorable for execution of complex strategies related with different aspects of the business.

Control Systems

Emirate Airlines has a strong control over the costs and quality of services and products that they offer. The customers are optimally charged for the cost of production of services delivered to them. Also, a major emphasis is laid over the cost incurred in getting the work done to have a better control over the expenses. However, quality is the top most priority which is controlled through several checks at the strategic as well as the operational level. The employees are also guided strictly to make no compromise in terms of quality especially when they are dealing with the customers. Moreover, employees are sometimes penalized for poor work if quality is

compromised anywhere in the work. Thus, Emirate Airlines is quite particular with its employees when it is dealing with quality and costs. Moreover, every team has adequate number of skillful employees who are headed by the competent managers which are further responsible to the executive level staff. A great emphasis is made that control is executed through a hierarchy of leaders till the ground level employees. The level of bureaucracy is fairly less in the company.

Power Structures

The power in Emirate Airlines is fairly decentralized with the work being strategically divided among different departments at higher levels. However, at the lower level of management, there are only limited powers bestowed upon the managers. The key decisions are made only at the top level while managers at middle and lower levels have the only responsibility to execute them. The departments such as the service, human resource, passenger sales, etc are solely headed by their respective vice presidents who make the key decisions without much participation from lower levels. But at the same time, these key people have played a great role in the history of Emirate Airlines. They have a great influence over employees as well which help the company quickly and effectively act to different situations. Nevertheless, Emirate Airlines has a considerable power distance in its hierarchy.

The Paradigm

The summation of all the six elements of cultural web suggests quite an optimistic environment for the work in Emirate Airlines. Although some of the

required aspects may be missing from the work culture of Emirate Airlines yet overall ingredients seems to be quite close to the taste of success in the coming future. The motivated employees and satisfied customers are always two targetable goals for any big business set-up and Emirate Airlines seems to have both in the current date. The advantage of such a culture in Emirate Airlines is the easy implementation of framed strategies without much internal resistance however the only disadvantage is less origination of ideas from lower hierarchy and possible dissatisfaction of employees in future that can be harmful for that company as competition increases in the market. An important value in Emirate Airlines is that a sub-ordinate has to blindly follow his/her senior and thus one thing that cannot be done in this company is questioning the senior regarding the procedure of execution of some planned work or advising them to accomplish some task in a different way. This particular aspect is somewhat contrary to that of Boeing's work where greater amount of freedom is given to the employees to give their inputs in strategy building. Therefore, I would like the culture at Emirate Airlines changed a bit in order to involve greater participation of employees and lower level managers.

Recommendation for change

Following are some of the recommendations for change Invalid source specified.:

Lower level managers and employees should be provided greater powers to make strategic decisions in the company.

An advisory board may be built to take suggestions from the employees and further discuss them before recommending those suggestions to upper level management.

Employees should be trained enough to make key decisions on behalf of their managers to make quick operations if managers are absent.