

# Organizational behavior project emirates airlines business essay

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



With the advent of globalization, Human Resource Management had achieved the great attention from different organization at global, international and local level. In comparison to the past times when the Human Resources are just considered as machine or commodity to get the work done, now they are considered as the most prominent asset of the organization. With such assets of gaining importance, Human Resource Management is considered as the key function of the organization to acquire, train, motivate, and maintain the employees within the organization. One such function of HRM which helps in efficient and effective learning, motivation and maintenance of the Human Resources within the organization is Organization Behavior. Human assets are the complex resources of the organization as it is very difficult to understand any person both psychologically and behaviorally. OB proposes various models and theories to analyze various set of human resources so as to understand their working style and enhance the performance efficiently and effectively. It is that function of HRM which helps to analyze and develop the organization at individual, group and organizational level. It helps to provide an effective and efficient working environment to the Human Resources on the basis of applying different models and theories at such levels in order to achieve overall performance effectively (Introduction to Organizational Behaviour).

The project aims to analyze the Organizational Behavior at Emirates Airlines, Dubai with the help of comparing and contrasting various theories and models related with each level of organizational development. Through the comparison of theories related with leadership, personalities, learning, reinforcement, motivation, interpersonal communication, organization

design, change and business model within the Emirates Airline, the project tends to analyze the organizational behavior of the organization. The project also analyzes the external and internal environment of Emirates Airlines through SWOT analysis followed by a descriptive conclusion of organizational behavior of Emirates Airlines.

## **Introduction:**

Organizational behavior is study of behavior relates to individual, group and organizational teams working together for efficient and effective operation execution. It studies the expected behavior of the person within the organization as every person has his different set of biographical, psychological and behavioral characteristics and no two people behave in a same way. Human factors act as the most contributing factor in the operations and productivity of any organization and thus analyzing the behavior of the individual is very essential and inevitable for any organization. Various research studies suggest that an individual, his background, social status, educational background, social groups, and other situational factors affect the behavior of the individual to a large extent. Managers must be able to explain, predict, evaluate and modify the individual behavior within the organization through applying various models and theories of the organizational behavior. The decision of managers largely depends on knowledge, skills and ability of handling larger groups having the diverse situations. The value system, organizational culture, Work environment, emotional intelligence, and job design are the vital elements of analyzing the human behavior in the organization. Cause and effect

relationship and the organizational culture are also very important factors to modify the individual behavior (Introduction to Organizational Behaviour).

The project analyzes the Organizational Behavior within the Emirates airlines through comparing and analyzing various theories of OB and its model followed by the SWOT analysis and business model of the organization.

### **Company Background:**

Emirates Airlines is the international aviation organization based in United Arab Emirates providing commercial air transportation services across the world. It is operating as an independent entity under a common management referred to as the Emirates Group. Emirates Airline, headquartered in Dubai, UAE was founded in the year 1985 with its first flight initiating from Mumbai and Karachi. The airline characterized by high efficiency and flexibility has helped strengthen Dubai and the UAE as a premium world class hub not only for trade and business but also for culture and sports. The airline is essentially a pivotal link between continents, drawing on the highly advanced civil aviation infrastructure in the UAE. Emirates Airlines has raised to the prestigious ranks as one of the top international airlines. This has been accomplished as a result of the adoption and encouragement of fair competition, transparency and an open skies policy (Annual Report , 2010-2011)

### **Vision:**

Emirates Airlines with its exceptional know how, is well positioned for continued future growth and success making headway against from a history

of stellar achievements. Through high professional standards, commitment and a forward looking vision, it will continue on the path of excellence and prosperity. And it pays greater emphasis over the corporate citizenship and social responsibility to shape its future (Our Vision and Values).

### **Mission:**

Emirates Airlines exist to deliver world class in flight experience with a sense of friendliness, warmth, individual pride and overall organizational spirit (Our Vision and Values).

Figure : Organizational Structure of Emirates Airlines:

### **Major Stakeholders:**

At Emirates, the stakeholders are integral to its efforts that have resulted in superior customer satisfaction, ratings and financial performance in a highly competitive industry.

The management ensures that employees have an enjoyable work environment while providing the same kind of warmth, caring and unforgettable experience for the customers.

They put in an unprecedented effort to strengthen community relationships that in turn yield a long term reward for the company.

The company strives to improve the relations with the operating suppliers to maintain the competitive edge in the suppliers market (Our Vision and Values).

## **Product Market Operations:**

Emirates Airlines operate in more than a hundred destinations across 70 countries worldwide and has driven Dubai in getting established as a commercial center and aviation hub of the Middle East. The company operates 1200 flights on a weekly basis across six continents from its base Dubai International Airport. The phenomenal growth in its market operations is reflected in 170-plus aircraft in a rapidly expanding fleet, comprising of the latest Airbus and Boeing Aircraft. Moreover, Dubai's state of the art Terminal 3 is used solely for the Emirate's airlines flight. In the previous year, the company booked travelling of 34 million passengers of different nationalities (Annual Report , 2010-2011).

### Emirates' Value Chain:

Emirates Airlines is well known for managing its operations abundantly and has adopted vertical integration into its core business structure by incorporating diversified properties. The company directly operates its check-in, service desks, boarding and lounge services, baggage and handling and airport push backs (Annual Report , 2010-2011).

## **Emirates' Financial Performance:**

Emirates Airlines booked huge profits in the last financial year, the largest ever achieved in its history. There was a considerable increase of 51. 9% in profitability reaching to AED 5373 in comparison to AED 3, 538 in the year 2009, the revenues being the main driver. Revenues grew significantly over

the last few years recording the relative growth of 25% respectively. (Annual Report , 2010-2011)

Source: (Annual Report , 2010-2011)

### **Open to Competition:**

Emirates Airlines is a proponent of open, international competition. It is motivation that drives them to achieve more in an open global economy. They continually analyze capacity and demand on routes that persuades them to enter markets under-served by the competitors and achieve a competitive edge in terms of trade, cargo and air travel demand. Many of the new international destinations include Dakar, Senegal; Prague, Czech Republic; and Basra Iraq (Annual Report , 2010-2011)

### **Organization of Operations – Emirates Airlines:**

Emirates Airlines clearly have a distinct advantage over other airlines in the industry owing to the effective execution of operations strategy across the organization that forms a strong pillar of its overall corporate strategy. The overall organization of operations is dependent on competitive dimensions pertaining to operational costs and efficiency, customer service, employee and labor relations and integrated technology (Annual Report , 2010-2011).

### **Analysis:**

Organization Behavior is the study which involves various theories and models related with the individual, group and organizational behavior and changes. The theories and models related with organizational behavior within Emirates Airlines are compared as follows:

## **Compare and contrast of different theories:**

### **Personality:**

The term personality has been derived from the Latin word “ persona” which means to “ speak through”. The Latin term represents the masks worn by the actors in the ancient Rome and Greece. The general usage of the word “ personality” indicates the role played by a person in the public. The personality of an individual is personal, unique and a key determinant of his behavior. Due to the differences in the personality, persons differ in their way of handling different situations.

### **Personality Traits:**

Personality traits are permanent characteristics which help in description of the behavior of individual. The more consistent the features and the more repeatedly they occur in the varied situations, the more significant that characteristic is in describing the person.

Sl. No

Personality Traits

Reserved

Outgoing

Less Intelligent

More Intelligent

Submissive



Dominant

Affected feelings

Emotionally more stable

Expedient

Conscientious

Serious

Happy-go-lucky

Timid

Venturesome

Trusting

Suspicious

Practical

Imaginative

Tough-Minded

Sensitive

Forthright

Shrewd

Conservative

Experimenting

Self-assured

Apprehensive

Group dependent

Self-dependent

Uncontrolled

Controlled

Relaxed

Tense

### **Chris Argyris' Immaturity-Maturity Theory related to Personality:**

Chris Argyris proposed that personality of a person grows along a continuum from immaturity as an infant to maturity as an adult. He recognized seven characteristics in the continuum which are as follows:

Sl. No

Immaturity Characteristics

Maturity Characteristics

Passivity

Activity

Few ways of behaving

Diverse behavior

Dependence

Independence

Shallow Interests

Deep Interests

Subordinate position

Super ordinate position

Short-time perspective

Long-term perspective

Lack of self-awareness

Self-awareness and control

## **Learning and Reinforcement:**

Learning is considered as the relatively permanent change in the behavior of the individual in relation to both the internal processes such as thinking, emotions and attitude and observable activities. There are various theories

of learning which can be considered by the Emirates Airlines to enhance the individual and organizational development based on learning. These are as follows:

Sensory simulation theory which explains that the effective learning occurs only when the senses of an individual are stimulated by the environment.

Reinforcement Theory was developed by Behaviorist school of Psychology by B. F. Skinner who believed that behavior is the result of the consequences. If the behavior provides positive results then the learner repeats the same actions.

Cognitive Gestalt approach emphasize on the experiences, significance, problem solving and the advancement in insights within the individual.

Holistic Learning Theory mainly relates to the complex set of elements in context to personality of the individual which need to be activated for effective learning.

Facilitation Theory emphasize on learning through an educator or facilitator.

Experimental Theory calls for four stage learning process as shown in figure:

Source: (Theories of learning, 2002)

Action learning approach links the practical world in action through a relative process (Theories of learning, 2002).

## **Motivation in Work Settings:**

Maslow's hierarchy of need motivation theory suggests that there are basically five needs of any individual which are related with their satisfaction and motivation level. These five needs are physiological needs, safety needs, social needs, self esteem need and self actualization need. As one need get fulfilled the successive need gets generated within the individual and act as his motivational factor. While Herzberg's two factor theory suggests that there are some factors which results to satisfaction among employees and there are other factors that help in preventing dissatisfaction among the employees. Herzberg states that " No Satisfaction" is opposite of " Satisfaction" and " No Dissatisfaction" is opposite of " Dissatisfaction".

Fredrick Herzberg proposed Two Factor Theory after conducting his research on Maslow's hierarchy of need motivation theory. He conducted research on 200 employees by asking them the factors at that their workplace which satisfies or dissatisfies them. The results of the study depicts that the intrinsic factors leads to satisfaction while extrinsic factors leads to dissatisfaction. Maslow's theory focuses on the hierarchy of needs which motivate people, Herzberg theory though based on Maslow's theory but it argued that there is a basic relation between individual and his work and his attitude towards the work determines his success and failure. Herzberg argued that motivation is not dependent on the need of the individual while it depends on his expectations from the work. Herzberg observed that Hygiene factors are related with the physiological, and safety needs of Maslow's theory and Motivations factors are related with the social, esteem and self actualization needs. Maslow's theory defines basic framework for

employee motivation while Herzberg's theory helps to decrease dissatisfaction and increase satisfaction through motivating them (Sandra Graham). Vroom's theory is based on the goals or outcomes of people which they prefer more as compared to other factors of motivation. Thus for them experiencing the feeling of being satisfied is to achieve their outcome or goal successfully. The term valence is used to express the feeling for particular outcome (Miner, 2005).

Vroom's expectancy theory is based on the belief of employee:

### **Valance:**

It refers to the emotional beliefs of the individual towards the outcomes or rewards associated with the work. It is related with the first or the second order outcome.

### **Expectancy:**

It refers to the expectations and level of confidence from the employee that what he is able to do in order to reach the first order outcome.

### **Instrumentality:**

It refers to the actually feeling of the employee that whether they will actually receive what they desire even if they are assured by their manager (Vroom's Expectancy Theory).

These entire factors interact with each other to develop a motivational force which is represented with the help of following formula:

$\text{Valence} * \text{Expectancy (Instrumentality)} = \text{Motivational force}$

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Figure : Vroom's expectancy theory

Source: (Vroom's Expectancy Theory)

## **Leadership:**

Leadership is very essential for the organization to work cordially in team there are three types of leadership styles such as:

Autocratic Style who always dominates the employees and wants to get the work done by power and authority.

Democratic Style which believe in working mutually in team with the coordination of all the employees.

Laissez Faire which depends on workers to get their work done as the workers wants to do it.

Among all the styles of leadership, Emirates airlines must follows the democratic style in order to get the work done in the coordination of team work.

## **Decision Making in Organization:**

The process of decision making requires the intellectual planning associated with the specific choice depending upon the requirement of situation. The different types of decision making are as follows:

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**Reversible Decisions:** Reversible decisions are those decisions which are not final and temporary in nature. These decisions can be altered or modified in the situations of wrong choice of decision in the organization or in case of failure of chosen alternative.

**Irreversible Decisions:** Irreversible decisions as clear by their name are permanent alternatives. Once they have been made or taken, they become unalterable and unchanged. Organizations generally choose irreversible decisions when there is limited availability or lack of alternatives.

**Quick Decisions:** Quick decisions are the decisions which have been taken instantly in the organization due to the urgent requirement of the situation. Not every manager is able to take quick decisions, only effective managers and officials can make instant and accurate decisions easily. Quick decisions taken in to account the long term impact and outcomes in the organization.

**Delayed Decisions:** Delayed decisions may be regarded as the decisions which have been set aside by the decision maker in waiting of the appropriate time to be implemented. In organizational perspective the delayed decisions leads to loss of various business growth opportunities.

**Trial & Error Decisions:** In the trial and error method of decision making, the decision maker attempt to undertake various courses of actions until the most suitable alternative is left which appears as convincing and optimistic. Implementing a decision in the organization using the trial and error method is the safest before making any commitment towards any thing.



**Experimental Decisions:** An experimental decision is the decision which includes assurance and certainty of the previous results before the implementation of ultimate decision. In this method the decision maker makes certainty about the optimistic and convincing nature of the implemented decision in order to assure the success and effectiveness of the decision taken.

**Conditional Decisions:** In conditional decisions, the organization is open for other probabilities or alternatives. In case the decisions already taken got failed, there are other alternatives to select from them (Types of Decision Making, 2011).

### **Organizational Design and Culture:**

Organizational Design, structure and culture are driven by the values, vision and mission of the Emirates Airlines. The formal and informal communication policies of the organization also helps to design such structure and the culture within the organization is driven by the diverse employee forces from multicultural environment which emphasize a lot on the organizational culture.

### **Organizational Changes and Stress Management:**

Change is the fact of life and resistance is the inevitable factor interrelated with the changes. Emirates airlines is known for adapting and managing change within the organization in the most innovative and effective way.

## **Business Model of Emirates Airlines:**

The current business strategy of Emirates Airlines is being through executing the sustainable strategic business model which focuses on the open skies environment and provides a complete advantage to the organization. The model remains same for each and every subsidiary and group which helps in the consistent approach of the organization for each and every strategy. The sustainable business model provides a geographical advantage for the Dubai Hub as a central International Gateway (Annual Report , 2010-2011) . The strategic business model works on following premises:

Low Cost Economies.

Toothless workers.

Government support.

Fleet Cost Economies.

Strategic Distance.

Opportunistic Strategy.

Well Positioned hub. (Namaki, 2007)

## **SWOT Analysis of Emirates Airlines:**

### **Strengths:**

#### **Global Market Reach:**

One of the biggest strength of Emirates Airlines is that its business operations are spread in most of the countries, all over the world. It is helpful in increasing the profitability of the firm by increasing the number of customers from the whole world.

#### **Competitive Advantage over other Organization:**

An important Strength of the Emirates Airlines is its competitiveness, which enables it to have a competitive advantage over other firms. It is one of the best airlines in the Middle East and other airlines are inferior in front of it in terms of market, customer, resources, and profitability etc.

#### **Good Services to Customers:**

Emirates Airlines ensures the qualitative services for its customers which is its another strength, as good services helps in getting new potential customers by the word of mouth publicity and also assist an organization to retain its existing customers.

#### **Adaptability to Environment:**

Emirates Airlines is good at managing changes of dynamic business environment and is capable to perform well by adapting innovative techniques.

**Profit Maximization:**

The figures of Emirates Airlines associated with the financial profit shows a consistent development in the trend.

**Customer Relationship Management:**

Emirates Airlines is good at managing the good relations with the customers. It is quite helpful in the overall success of the organization.

**Development of Corporate Culture:**

The Emirates Airlines have been successful in developing and implementing an effective corporate culture which can be credited with being responsible for the productive environment which can be found in the company.

**Improvement in Services:**

The services in the company have been constantly improved by means of the effective strategies implemented by the administration of the company. This is highly essential due to the fact the continuous development of the services ensures that the recent changes in the trends and the environment currently being faced by the company. (Emirates Group Annual Report, 2009-2010)

**Weaknesses:****Ineffective diversification:**

The excessive diversification of the services of the company resulted in inadequate attention being given to any particular area and this resulted in the overall inefficiency in the workplace. Diversification is a useful tool if managed in a proper manner but if used in an incorrect manner, it could lead

to the development of negative outcomes and this would affect the overall productivity of the company.

### **Excessive focus on acquisition:**

The highly ambitious nature of the Emirates Airlines has led to the company indulging in excessive acquisitions and mergers by means of which the company desired to expand its scope of operations. This led to the deviation of the focus of the management from the company's primary agendas to the widespread and ambitious expansion of the company's operations.

### **Lack of Risk Management:**

The risk management techniques of the company's administration were weak and were not successful in providing the required relief to the company in terms of the proper handling of the risks associated with the business, especially in the area of diversification wherein the company has been facing the most issues recently. (Emirates Group Annual Report, 2009-2010)

### **Opportunities:**

#### **Long Term Competitiveness:**

The long term competitiveness of Emirates Airlines opens various doors of opportunities for the company as it proves to be very helpful in creating the good brand image in the domestic as well as in the international market.

#### **Innovative Services:**

Another important characteristic of the company is the consistency in providing the innovative services. Innovation in services leads to further penetration of market and also ensures the success in the existing market.

**Huge Local Market:**

Comprehensive domestic market helps in increasing the profitability and opportunity for further expansion of the business globally.

**Market Penetration:**

There is an opportunity in front of Emirates Airlines to penetrate its market as it has several benefits like competitiveness, large market size etc. It can also segmented its market by the diversifying its services on the basis of different types of customers.

**Business Expansion Capability:**

Emirates Airlines has spread its business operations not only in the domestic market but also in the international market, this expansion capability is opportunity for the company for reaching every international market which is further helpful for the country in enhancing trade relations with the whole world. It is not only beneficial for the company but also beneficial for the economy of UAE as a whole.

**Large Market Size:**

Wide market enables the company to provide its services to the maximum customers not only in local but also in global market.

**Internet Marketing:**

Emirates Airlines uses up graded information tools in its business operations. It uses internet marketing technique for the promotion of its products and services which enables it in having competitive advantage over others.

(Emirates Group Annual Report, 2009-2010)

**Threats:****Competitors:**

One of the serious threats in front of the Emirates Airlines is its competitors. These competitors insist the company to diversify its business operations so that it can maintain its competitiveness over others. But this proves to be a major threat as it also diversifies the concentration or focus of the company from existing business.

**Unable to go with Innovations:**

Emirates Airlines is unable to manage the innovative strategies efficiently and effectively. It proves to be another major threat in front of the company as it affects the smooth functioning and profitability of the organization.

**Unable in Forecasting the Demand:**

Emirates Airlines is unable to forecast the demand of the services required by the customers, it results in various empty flights and the company bears losses. Thus wrong forecasting is also another major threat for any organization.

**Legal & Political Environment:**

The company has to follow all the rules and regulations of the government of Dubai in the local market and other government in the global market.

Certain regulations hamper the profitability of the company (Emirates Group Annual Report, 2009-2010; Introduction to Organizational Behaviour).

## **Conclusion:**

Emirates Airlines is the most prominent airline in the Middle East which has established itself effectively in the market in past 25 years. Its sustainable business model helps in achieving the overall competitive advantage in the global international market. The strategic capabilities, competencies, strengths and the sustainable business model strengthen the strategic management which ultimately leads to the fulfillment of strategic objectives. The organizational culture and working environment provided by the Emirates airlines motivates the employee force to perform effectively and efficiently which overall results to the achievement of organizational strategic objectives. However some of the organizational behavior theories and models so suggested in the project could also be applied to manage and modify the individual, group and organizational behavior in the Emirates Airlines. With various approaches of leadership, motivation, learning, development, organizational culture, change and stress management, the Emirates airlines would be able to satisfy the internal customers i. e. employees and thus able to retain them for a long time period within the organization. Such approaches would decrease the employee turnover and helps the organization to take the competitive advantage of the skilled and competent human resources so as to take the competitive advantage of the global market.