Research Paper: American airlines**:**

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**Introduction**

It was first started in American and is one of the major airlines of the USA. It’s headquarter is based in Fort Worth, Texas. As per the records, it has daily 6700 flights for almost 350 destinations, visiting more than 50 countries. It is the topmost airline of the world in the case of revenue, fleet size and the scheduled passenger-kilometers flown. In the year 2016, American Airlines had come at first place on the list of best business turnarounds on the Fortune magazine and during that year the inclusion of its stock was done into the S&P 500 index. These paper analyses the structure of American Airlines.

**Body**

"American airlines" have various areas on which it focuses on maintaining its position in the aviation industry. Following are the components that are being focused by this airline for attaining the set goals, earning good revenue and providing best customer services to its passengers.

**The leadership of the company**

The leadership of any company or business is actually the capacity of that company (Americans Airlines) that it sets for achieving the set goals. Taking a look at the leadership of American Airlines it was witnessed that considering the competition in the aviation market, it has set its goals that it wants to achieve for giving a tough competition to other airlines. The leadership of American Airlines has set its goal of providing the best traveling services to the customer at cheaper rates. It aims at providing the services that are missing in the other airlines. Its goal includes an appeal to the passenger from all over the world. It aims for ensuring the high quality traveling to the passengers and wanted to make them permanent customers. Another of its goals is to pay attention to using the best and latest equipment and technology, products and services by maintaining aviation. It not only provides traveling service but also offer cargo services. One of its goals is to explore and meet the customer. This airline is making its best efforts for enhancing the working of the technology so that communication, experience, and connectivity of passengers could be improved. It is thinking about what should be the next areas, American Airlines should focus on. It has improved its technology for improving its operational functioning, by using mobile technology, etc. Technology is used by American airlines for reducing the fuel cost. It is also using technology for controlling the emission of CO2

**Communication networks**

It is a pattern which shows which way information would be flowing in an organization. Channels of communication through which the information would be flowing are of two types’ i.e. formal networks and informal networks. Communication is very important for guiding the aircraft. In American Airlines aviation communication networks are very important as not only the control center guides and communicate with the planes but at the same time, communication networks help two or more planes for communicating with each other.

American Airlines, keeping the present in consideration is focusing on the developing better sources of communication networks for the customers and pilots both. Managing the air traffic in recent times has become a difficult thing to be done (END, et, al,2019). American Airlines is using modern air traffic management by utilizing many of the services and applications provided by the Aeronautical Information Services. At the same time, this airline is using Air Traffic Flow Management (ATFM). These technologies should be used for making the aircraft to operate efficiently when moving from one to another territory. American Airlines simply claims that no network means no communication and no communication means, no flight. It is hard to believe it but it is the reality as in airplanes need to stay in touch with the control rooms from where the airport could know where their planes are and how much time they could be taking. Communication networks are a kind of evidence that plana and passengers are safe.

**Decision making**

Decision making is another important area for avoiding threatening situations. Decision making means the management or the authorities have to take a stand what they are going to agree with and what they are going to deny. According to American Airlines, decision making is a critical activity for the managers and the higher authorities who take a decision that would make and break the image of this airline. The decision that the manager makes may range from a simple, routine matter for which it is important for the managers to follow decision rules (also called the programmed decisions).  
From the researches that have been made on American airlines, it could be seen that management makes both programed and un-programmed decisions. American Airline has developed digital series that is known as “Behind the Scene @AmericanAir” which provide an opportunity to the customer for having a look at the insider view of the airline decisions. American Airlines also invites its customer for behind the scene view that answers the questions of the customers as well.

Decision making could be effective only when a decision is taken timely without making any delay. There are a few main components that are being focused on making a decision. These components are the situation, options available, making a suitable choice, making a timely action and lastly evaluating the decision taken. For making a decision, first of all, management has to examine the whole situation and what other airlines would be doing in such situations. Management has to focus on all the areas before taking a stand. After taking a look at situations, management has to look up what options and choices they are being given. One of the problems that researchers have found in the case of American Airlines is that when more options or choices are available, it becomes difficult for management to choose the right one. Next thing that management does in the decision-making process is that it has to pick the more appropriate choice and enact accordingly. Taking action on the chosen choice is important as taking action as planned become necessary for achieving the expected results. Evaluation of the decision is the last thing that management has to do. If the action is harming policies, airline, and the passengers then it was a wrong decision but if the decision is benefitting, it would be counted as the right decision.

**Negotiations process**

It is the process in which a settlement is being done between the two parties. It is a kind of open process in which two groups find a solution that is mutually accepted by both the parties. There are commonly five steps in the negotiation process that are making preparation and doing panning, defining some rules, clarification if there is any confusion and lasting justifying if any party has an objection.

Negotiation process could be between American Airlines and customers, but more importantly, taking a look at the researches it has been found that American airlines recently had a negotiation process between the management and the employees. The early stage of the recent most contract was between American Airlines and its two of its biggest workgroups.

* First was the contract that becomes amendable for the attendants of the flight as of December 2019
* Secondly, the contract with the pilots becomes amendable.

Employees were not informed that they are going to question a lot. The pilot union was having its own list of priorities that were:

* Efforts to improve the schedules, accountability should be done properly without any discrimination and assuring the transparency.
* Having industry-leading hourly pay rates and questioning the gap in the compensation as well as benefits.
* Undertaking of the repair contract, by focusing attention on the items that were modified in bankruptcy.

**Organizational change:**

Change management is the collective term being used for all the approaches that prepare, help and support all the individuals, team and organizations for making an organizational level change. As per the experts, organizational change is because of the change in the operational method adopted by American Airlines, structures, strategies, and technologies and organizational culture that would be effecting a change within this airline. From the recent reports, it has been seen that some impactful changes were brought inside American Airlines (Kwoka, et, al,2019).

As mentioned above, these organizational changes could influence the performance of the overall airline, so recent changes in the tech strategy were considered to be the organizational changes. In American Airlines, any change that would affect the working of the airline would be categorized as the organizational change.

**Power**

In the context of power, it can be observed that American lines are one of the major sources of the economy of the county, taking into account the fact that the current power and the adherence of America is because of the staunch powers that are somewhere directed by economic approach. An analysis of American airlines reveals that it is one of the sources that is playing a central role in boosting the economy as well as international relationships. In the context of the economy, it is found that there is a great emphasis on the increasing number of passengers as well as the ratio of flights, taking into account that encourages others as well. In accordance with the facts and figures that are associated with international relationships, it is found that the interference of international flights has played a central role in enhancing international relationships where America is found to be boosting its political relationship as well. The aviation industry is also in of the major points to consider, taking into account that the production and maintenance of the trends are highly dependent on both imports and exports, so trade relationships are also involved in the analysis of power. Moreover, American Airlines are the primary head to the justification of resources that country can avail to increase its productivity and power taking into account that three major and significant departments are synchronized under the impact of American Airlines. Another paradigms assert that tourism is also significant to point to address because with every changing aspect of globalization, trends are changed and tourism services are also brought to an edge where transportation plays a significant role in recognizing a country so analysis of power relationship also include aspects of tourism and the choice of people to use this service. According to researchers, the power structure of American Airlines is structured by the strategies that are formulated and the role of the organization to achieve its goals taking into account that power can only be maintained when all the strategies are updated enough to address requirements and innovation. In a nutshell, the power of American Airlines is the efforts that are put in by the organization to maintain its standards because staying adhered to the objectives result in the formulation of plans that can keep the standards enact along with the analysis of the facts and figures that can help to keep other departments in complete coordination.

**Politics**

Politics of any country influence that world overall. It has been witnessed that when in one county if political policies change, it greatly affects the aviation industry. Politics are going to cast hazardous effects as if American would not be having friendly political relation with one country then this clash between the two countries would cast financially lost to American Airline. Sometime politics could be involved in shaping the policies of America Airlines. In the case of American Airlines, its CEO says there is a political factor for returning Boeing’s 737 MAX.

* Politic is playing a vital role in the making of the aviation official decision for allowing the Boeing 737 Max to fly again.
* Because of the two fatal crashes, planes aware grounded since mid of the March.
* Parker, who is the CEO of the American Airlines, told that this airline is ready for pushing back the re-entry of the Boeing 373 Max for avoiding crew’s scheduling issues.

**Organizational culture**

The organizational structure at the heart of American Airline is focusing on a top to bottom approach rather than a bottom to up approach. This type of approach has left the company under different threats as it has led to the occurrence of many disagreements between the people at the bottom with the people at the top. There is a high amount of tension between the labor working in the bottom part of the company with the management. This is mostly accredited to the fact that the management has employed several techniques and strategies that are focused more on cost reduction. This cost reduction is on the back of cutting jobs and benefits to the current labor force. The company has to increase its bottom line in order to keep its shareholders and owners happy, so in return, they are employing such tactics to achieve their desired goal. This is why this organization has seen drastic changes due to their ragtag policies.

**Innovation**

Over the years American Airlines has shown incredible skill in promoting innovation in its products and services. This trend is not recent with American Airlines but more of a continuing trend. American Airline first started promoting innovation into its products and services when in the 1960s, it established the first-ever reservation system in partnership with IBM. Furthermore, American Airlines have had a rich history of technological innovation. Over the years American Airlines has been regularly making improvements that were incremental to the operations of the company.

**Goals and structure**

When any business is established, the founder and the management focuses on some of the goals that they want to achieve. American Airlines also have some goals that it has achieved and still wants to achieve. Studies show that there exists a close relationship between the goals of an airline and its structure. Ways of achieving goals would shape up the structure of the organization. Goals were set by American Airlines are treating people of as per their own culture. It believes that pertaining to culture is one of the reasons of success for an airline. Another goal being set by American Airlines is becoming the leader in providing equality, diversity, and inclusion. Third of its goal is to “think forward, lead forward”. Fourth of its goal that it is paying most of its focus is providing customer-focused airport and the world's best class lounge. A fifth of its goal is to make sure of providing reliable and safest operations. American Airlines is also focusing on providing the latest technology to its passenger while they travel with it. Installation of the Wi-Fi is the step that is showing the interest of this airline for making and accomplishing these goals. Next important goal is to improve the revenue of this airline. Revenue could be increased only if this airline would perform as per the above-mentioned goals. “One Team” is also a goal of this airline, a team that would be treating all the passengers with affection and care as per the cultural needs of the passengers.

According to the researches of the experts, it is interesting to note that the structure of any airline of business dependent on the goals that it wants to achieve. Goals are going to define what should be the structure of the organization. Goals would demand to form the structure so that a certain path could be followed. Management is responsible for structuring the airline. American Airlines management has formed its structure that includes different department that would be contributing their part for achieving the specified goals.

**Strategy**

This fact cannot be denied that there is a list of airlines that are competing with each other. With the advancement in time and technology, strategies being made by the airlines are also getting evolved. Each of the airlines aims to choose or make a unique and useful strategy that would let it reach the top among others. For example, some of the airlines are using the strategy of advertisement for appealing national and international customers. Some of the airlines focus on advertising their services and some try to focus on attracting wealthy people for whom comfort and luxury matter the most. In the case of American Airlines, it has been seen that like other airlines, it has developed its own strategies for facilitating people and earning good revenue.

There are different strategies that American Airlines has i.e. strategies for improving the financial performance of the company, marketing strategies, etc. from the researches, it has been seen that American Airlines has segmentation, targeting, positioning in the marketing strategy. Experts claim that American Airlines using a strategy of "No-Frills Airlines" keeping the low rates by providing high-quality services is the main way of making people its permanent customers (Forsyth, et, al,2019). Strategies of American Airlines are focusing on making network airlines. American Airlines has made different frameworks for different strategies i.e. for promotional strategies it would be having little different other. Strategies that are center of attention of American Airlines are providing low-cost traveling, to provide unrivaled services and comfortable journey for those who choose it for traveling.

**Technology**

There are many areas on which this airline is focusing at the moment, but one of the most important areas of attention for American airways is technology. As we are living in a digital age where if an airline wants to survive among the other airline and wants to sustain its customers than it has to go hand in hand with the latest technology. Technology is the main thing that makes an airline different from the rest of the airlines. With ten advancements of technology, over a century, air traveling has become easier. Technology has become the backbone of the planes. In every field i.e. for coordinating the staff as well as routes, customers and for orchestrating airtime with other competitors in the air industry. Technology is the main thing that makes and breaks the reputation of an airline. Failure ripple throughout airports, delays in flights, making public and passenger aware of any emergency. Technology at the airports is the risk-averse.

Taking a look at the American Airline, it could be said that for the very first time, the reservation system was introduced with IBM in around 1960. American Airlines claims of having a rich history of technology through which they are making improvements in their systems. Technology being used by American Airlines reduced the cost and improved operations by using the latest engine technology.

**Organizational design**

Organizational design is a step-by-step methodology that is used for identifying dysfunctional aspects of workflow, processes, procedures, systems, structure for fitting the present business realities. After goals plans are developed for implementing the new changes. Like many other airlines, American Airlines the process of designing leads towards then production of effective organization design. An effective organizational design plays an important role in improving the results of internal operations, customer services, etc. performance of the employees also got influenced by measuring how effective is the organizational design is. Following are the goals for which the organizational design of American Airlines matter the most:

* The decline in the costs of operations
* Improving profitability
* Increasing the efficiency rate as well as time
* Culture of the engaged and dedicated employees
* Crystal clear strategy that would help in growing the business
* For delivering best customer services.

It has been seen that in most of the case businesses faces internal and external challenges. American Airline also faced some of the issues (both internal and external). Internal challenges are easy to resolve while on the other hand external. American Airlines faced external issues and it had to change its procedures, systems, and structures that were once working in its best regard but a hindrance in the progress forced American Airlines to change its previous systems and other components as they become a barrier in the way of efficiency, employee’s satisfaction and customer services.

**Conclusion**

All in all, it can be said that American Airlines have shown quite a good capability of keeping a strong organizational environment. This was made possible with behavior that induced competitiveness, leadership, communication, decision making, and many other things into the framework of the company.

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