

Final Project report:

ORGANIZATIONAL ISSUES AND REVIVAL PLAN OF PIA

Client Organization:

Pakistan International Airline

Under the supervision

Of

Sir AdilAsghar

By

Ijaz Saleem (01-220101-013)

Javed Jehan Khattak (01-120092-019)

Shahzad Ahmed (01-220101-026)

Submitted to:

Research cell



Sector E-8 Shangri-La road Islamabad

05-03-2013

Acknowledgement

We would like to offer our humble gratitude to **Allah Almighty**, the most Gracious and the most Merciful, who gave us strength and enabled us to achieve our goals.

The topic of our project is the organizational issues and revival plan of PIA. During our Project, we had to face some difficulties as data was not readily available; we had to go to PIA office to collect data after having some solid reference and then sort out relevant data for our project.

We would like to thank our kind supervisor **Sir Adil Asghar** for his continuous guide and support. We are grateful to employees of various departments of PIA that helped us during our field work and helped us in making our project successful.

Abstract

Purpose of the project is to analyze the financial and organization issues of Pakistan International Airline, making revival plan to handle issues which PIA is facing currently. For this study survey is conducted based on interviews from management and customers. The annual reports of PIA are analyzed through Ratio analysis and financial analysis to know, the financial position of PIA and situational analysis is done. From the study, it's concluded that PIA is suffering from losses since many years and there are many financial and organizational problems in the organization such as fuel expenses, currency exposure, bad governance, over staffing and maintenance issues. This project is beneficial for the management of Pakistan International Airline and Federal Government to know what issues PIA is facing and how to make operations of PIA in an efficient and effective manner to increase profit and develop goodwill of PIA.

Table of Contents

1. Executive Summary	5
2. Introduction.....	6
2.1 Pakistan International Airline	6
2.2 Air Industry in Pakistan	21
3. Defining the Problem.....	24
3.1 Method of Investigation.....	25
3.2 Problem Description	25
3.2.1 Financial Issues of Pakistan International Airline	26
3.3.2 Organizational and management issues of Pakistan International Airline ...	27
4. Analyses of Pakistan International Airline	30
4.1 SWOT Analysis	30
4.2 PEST Analysis	34
4.3 Financial analysis of Pakistan International Airline	36
4.4 Ratio Analysis.....	38
5. Data Analysis.....	47
6. Conclusion	48
7. Recommendations and suggestions	49
8. Revival Plan.....	50
9. Implementation of program	51
10. Benefits.....	56
11. Appendices.....	57
12. References.....	59

1 Executive Summary

PIA is a national operator and has been recognized in 1955. PIA provides not only transport, but their activities extend to the provision of goods and services also messaging. PIA has two markets -. National and international in domestic outdid himself by extending their system in those markets where other air companies do not providing services. There is very rigid competition in international markets which PIA is facing, mainly because of PIA is charging much high fares than the other air services providing companies. PIA is in very hard and stiff competition with very well known international airlines brands. P I A is not just competing with these international companies but also domestic competitors on various routes such as Gulf and Middle East. (student papers from 06-Sep-2010)

As a result of solid competition and oil expenses, International Aviation Regulations and industry aspects, for instance the internal issues of recruitment of more and unmotivated employees, misusing of resources by using the resources personally and the aged fleets, short of accountability and corruption because of these issues P I A is suffering from a serious financial crisis. At international as well as domestic level P I A is losing its market shares in both fields. This project report describes the current position as well as future action plan of P I A.

This report about P I A is summarizing into three parts. First part introduces the organization and gives a brief summary of Pakistan aviation industry. Second part consist of identification and description of identified problems. Third and last part contains the immediate change and actions that are required to do for the best performance of national carrier. Describe strategies and internal strategies department wise to address external threats, for instance growing oil prices and gives improved services in a competitive surroundings. (student papers from 07-Mar-2012)