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***Globalization and Major Forces Shaping the Global Business
Environment: A Case Study of British Airways***

Global Business Environment

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Introduction

An effect of globalisation is the interconnectivity of the markets as well as improvement in the business communication and international business. In the case of the organisations with the international presence, like British Airways, globalisation is a both a strength and a weakness. Globalisation brings new opportunities and challenges to economic, social and other functional operations with relation to its customers and competitors (Sudirjo, 2023).

Globalisation's positive and negative effects are further explained in this essay, with examples of how conflict and wars, technology and innovations, talent search, inequality, and culturalization affect British Airways business. Recommendations concerning the aforementioned challenges are also then given to help the organisation in dealing with the issue of globalisation where necessary but minimising its effects where possible.

Main Body

Background of British Airways

British Airways (BA) is a leading international airline, operating as the national flag bearer of the United Kingdom of Great Britain and Northern Ireland. It was founded in 1974 and is based in London and utilises the Heathrow Airport as its main base. As a member of the International Airlines Group (IAG), British Airways flies to over 180 destinations in more than six continents and is used by over 40 million customers every year. BA is one of the most outstanding examples of how globalisation processes significantly affect a global organisation providing premium services, an extensive route network, and strategic partnerships (Sudirjo, 2023).

Impacts of Globalization on British Airways

arguably, the most apparent benefit of globalisation is that it has helped the British Airways to increase its market base. The globalisation of civil aviation policies has also promoted the development of an extensive BA international network. The liberalisation of the aviation market by open skies' agreements and creation of strategic partnerships, including the one world alliance,

has enabled the airline to expand its access to new markets, augment passenger numbers, and strengthen its relative positions in the industry. For example, the codeshare agreements with American Airlines and Iberia create connexions for passengers flying between the European and North American continents and stimulate revenue generation and brand equity. Further, it has helped the airline to source the aircraft, technology, and human capital to work efficiently and help in innovation (Morrison, 2023).

On the other hand, it has been seen that the company has faced increase competition and economic risks from the globalisation. The airline industry is a very competitive one and there are a lot of LCCs, which are in a position to actually threaten the more traditional players such as BA through the use of very low prices. Globalisation has aggravated the conditions of price competition, which negatively influenced BA's margins. Thirdly, the world's inter-connectedness in terms of the flow of the passenger traffic means that the problems in one economic region can yield a negative impact on the other regions meant for passenger flow. For instance, the COVID19 pandemic showed how fast the global disruptions can bring the aviation sector to its knees, and how BA suffered both direct and indirect losses and functioning problems related to the decreased demand for business and leisure travels, as well as stringent border closures (Morrison, 2023).

Major Forces Shaping British Airways' Business Operations

Conflict and Wars

Disruptions through conflicts and wars meaningfully affect British Airways since they distort its routes, raise operation costs, and reduce passenger traffic. Instability in political situations in certain areas like the Middle East has made some routes to be cancelled and, replaced with other ones leading to more fuel utilisation and expense. For example, the current situation in Ukraine has caused many airlines including BA to steer clear of Russian airspace meaning that relative routes will take longer to complete and therefore more costly to provide. Besides, political instabilities cause the consumers' low confidence to travel and to certain areas, which negatively affects the airline's revenue streams (Arnold, 2023).

Technology and Innovation

The aviation industry has grown tremendously through technology, and British Airways has adopted technology in this area to ensure efficient performance and to meet customer demands. The application of AI technology for customised value-addition through customer service, the utilisation of the big data technique for determining the optimal route, and the integration of high-end safety features represent technological development at BA. Performance indicators reveal that KUL innovates through its mobile application and other online tools that allow passengers to book and check-in for flights, as well as access other flight information. However, the fast-changing current technology means that it is expensive to keep up with newer systems and staff needs training all the time. For example, biometric boarding and smart airport technology require a lot of capital investment to meet industry requirements (Arnold, 2023).

The Race for Global Talent

British Airways is a worldwide company and therefore faces stiff competition in the labour market to secure the best talent. Airline human capital management is an issue due to the talent crunch in the sector especially pilot, engineers, and IT skills that has been worsened by Brexit and post covid staffing policies. In this case BA has had to face intense competition from other companies around the globe while seeking to employ qualified staff with various issues such as changes in law and also in visa regulations. While the airline continues to train its employees and also partnering with aviation academies to identify talent, the race for talent internationally remains a huge issue (Filipova et al., 2023).

Economic Inequality

British Airways is influenced by economic inequality as it determines the clients' distribution and travel frequency. The expansion of middle-income travellers in the emerging markets has been accelerated through globalisation; however, disparities in income levels in the developed and developing countries affects the travellers' preferences as well as spending capacities. For instance, the increase in price sensitive travellers has placed pressure on BA to adopt cheap

service providers such as 'no frills' airlines hence increasing the provision of low-cost service provision. Also, the levels of economic inequality may affect some of BA's premium service offerings because the demand for such services depend on the dynamics in the disposable income available among the elite clientele (Filipova et al., 2023).

Cultural Exchange

Globalisation has opened up BA's opportunities for customer base diversification and added to the company's service portfolio. The population of passengers in the airline also shows the population is beginning to travel for holidays, business, and studies. BA has been forced to embrace this aspect by providing customers with support in multiple languages, region-specific services during the flight and flexible types of meals that could be consumed during the flight depending on the culture of the passengers. However, the issue of cultural diversity presents a sensitive phase that needs to be addressed within the employees and the customers, therefore training the subordinates on cultural sensitivity is paramount to achieve a good result (Luo et al., 2023).

Recommendations

The following is a recommended strategic approach for British Airways with reference to the challenges posed by globalisation and global forces. First of all, we have identified that the airline should improve the management of risks and the level of protection against conflicts and geopolitical risks. This includes expanding the route network and strengthening cooperation with regional airlines in order to maintain the connexion during the crisis. Second, there is a need for embracing technology by employing resources in research and development to make sure that the technological systems used by BA are state of the art. Working with the tech companies and startup can bring the idea to the market faster (Sewpersadh, 2023).

Thus, in the contest for talents worldwide, it will be beneficial for British Airways to develop its employer brand, which includes fair compensation, professional growth, and a positive climate at work. Strategic partnerships with learning institutions can be useful in building talent pools while recruitment drives can be used to source diverse talents. Regarding the problem of economic

disparity, BA needs to introduce more luxurious services as well as affordable services to appeal to a wide range of clients. New dynamic pricing strategies can improve accessibility still further and at the same time achieve maximum sales.

Last but not least, there is a need for regular sensitisation of the employee database with respect to promoting multiculturalism within the period assigned to this objective. British Airways must also use its position as a global link to promote its corporate social responsibility on diversity and environmentalism in line with its client base (Sewpersadh, 2023).

Conclusion

The following paper shall argue that Baraka has been influenced by globalisation in its operations and that this has been in form of strengths and weaknesses. On the positive side, it has continued to experience growth in market access and technological development, the airline still faces some challenges including increased competition, geopolitical risks and employees' relations. Thus, BA can meet the main forces shaping the global environment and the further development of international business: conflict and war, technology and innovation, the competition for human capital, inequality, and cultural interaction. Thus British Airways can remain a successful company in the sphere of aviation business as one of the leaders of the industry and the subject of globalisation at the same time.

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