The resilience of Turkish airlines

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Abstract. Turkish airlines is the oldest flag carrier airlines of Turkey. It is founded in 1933 as department of the Ministry of defense. Turkish airlines is one of the fast growing airline of the last years. It has earned several award included the “Europe's Best Airline” in 2011. The Adaptive cycle of Holling et al (2001) will be used to describe and adress the change process Turkish airlines last decade went through.

Keywords. Turkish airlines, Adaptive Cycle, Resilience, Change,

Introduction

Turkish airlines is founded in 1933 as department of the Ministry of defense. It is the oldest flag carrier airlines of Turkey. The air transport industry of Turkey can be divided in three periods (i) Pre 1983 (ii) 1983 till 2003 (iii) 2003 till present. The most progress in the air transport industry in Turkey gained after the liberalization in 1983 which was done by Prime Minister Özal. The existence of Turkish airlines is a good example of the adaptive cycle.

1. Adaptive Cycle

Change is the only constant (Heraclitus). Change is neither continuous and gradual nor consistently chaotic. Change is episodic it's behavior is caused by interaction between fast and slow variables (Hollings et al, 2001). As change is constant and life is complex a small action in the economic, ecological and social systems could lead to crisis but also to new invention. The adaptive cycle in figure 1, addresses the movement of a through the phases \((r)\), \((K)\), \((\Omega)\) and \((\alpha)\). Where the \((r)\)-phase symbolize is the exploration, the \((K)\)-phase conservation, the \((\Omega)\)-phase release and the \((\alpha)\)-phase reorganization.
2. Case Turkish airlines

2.1. Before 1983 (K)-phase to (Ω) phase

TK abbreviation for Turkish airlines was founded in 1933. Its mission was to provide air transport and operate aerodromes. During 1930 and 1950 the design and manufacturing of the aero planes developed rapidly. At that time Turkey was the country with the third greatest aviation industry in Europe (Saldıraner, 1992). Even if Turkish airlines had some international flight destinations till early 1960’s the main focus were domestic flight. During this period TK was in a financial struggle which was the result of delays and plane crashes. Till the end of 1983 TK has suffered 11 accidents.

2.2. From 1983 till 2003 (Ω) phase to (r) phase

The second significant step in the aviation of Turkey was the liberalization of the economic markets in 1983. The government allowed private air carries to operate in aviation industry. TK was not the only carrier and needed to adjust its strategy to be able to compete with the up comings. The Özal government recognized the importance of TK and decided to modernize the operations. A new technical center was build and a dozen new airplanes were bought. Mainly due the global aviation crisis and the gulf war TK was not profitable till 1994. In the late 90s Turkey suffered from a severe economic crisis. TK was forced to cut flights and fire several hundred employees (TK Annual report, 2011).

2.3. 2003 till present (α) phase to (r) phase towards (K) phase

The third significant step was set by Prime Minister Erdogan after he won the election in 2002. With the motto that every Turkish citizen will emplane once in his life the government made clear that it would invest heavily in the aviation industry. The government build new airport and turned inactive airport in to active. In 2004 and 2006 two publics offerings were held, which resulted in that 50.88% of shares are publicly traded. The privatizations process caused for a strategic formation of TK with focus on developing new flight routes, cost reduction, competitive fare and quality and brand (Dursun et al, 2014). The change in strategy helped TK to grow. Compared to the same period of 2013, sales revenue increased by 15% percent in USD terms. During the first nine months of 2014, passenger traffic increased with 14%. As of today TK has scheduled flights to 45 domestic and 219 international destinations in 261 cities and 264 airports in 108 countries worldwide(press release, 2014). Turkish airlines continues to increase its service quality and to sustain its solid financial state with a focus on healthy growth.

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