الجمهورية الجزائرية الديمقراطية الشعبية
République Algérienne Démocratique et Populaire

Ministère de l'Enseignement Supérieur
et de la Recherche Scientifique

Ecole Nationale Supérieure de Management
Koléa

وزارة التعليم العالي و البحث العلمي

المدرسة الوطنية العليا للمناجمنت
القليعة

DISSERTATION

For the Attainment of an Academic Master's Degree

In « Organisational Management »

Integrating Decision-Making Processes With Analytical Accounting in the Civil Aviation Sector: Case of AIR ALGÉRIE Company

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September/2023

ABSTRACT

This study focuses into how analytical accounting practices are integrated with decision-making theories in the airline sector, particularly contingency theory and adaptive decision-making models. The goal of the study is to identify the useful applications of these ideas and approaches in the aviation industry, filling a notable gap in the literature. The study is guided by three research questions that delve into the impact on risk management, adaptive decision-making, and the underlying mechanisms that mediate these interactions. To evaluate the effects of these integrations, hypotheses are put forth. According to the research, this investigation should enable airlines to make decisions with a more comprehensive perspective, which would improve productivity, profitability, and well-informed strategic planning. This study bridges the knowledge gap between theoretical models and real-world application, providing industry practitioners, researchers, and policymakers with insightful information.

Keywords: decision-making theories, analytical accounting, aviation industry, contingency theory, adaptive decision-making.

RÉSUMÉ

Cette étude se concentre sur le comportement dont les pratiques de comptabilité analytique sont intégrées aux théories de prise de décision dans le secteur du transport aérien, en particulier la théorie de la contingence et les modèles de prise de décision adaptatifs. L'objectif de l'étude est d'identifier les applications utiles de ces idées et approches dans l'industrie aéronautique, comblant ainsi une lacune notable dans la littérature. L'étude est guidée par trois questions de recherche qui approfondissent l'impact sur la gestion des risques, les modèles de décision adaptatifs et les mécanismes sous-jacents qui médient ces interactions. Pour évaluer les effets de ces intégrations, des hypothèses sont avancées. Selon l'étude, cette enquête devrait permettre aux compagnies aériennes de prendre des décisions avec une perspective plus globale, ce qui améliorerait la productivité, la rentabilité et une planification stratégique bien informée. Cette étude comble le fossé des connaissances entre les modèles théoriques et les applications réelles, fournissant aux praticiens de l'industrie, aux chercheurs et aux décideurs politiques des informations pertinentes.

Mots-clés : théories de la prise de décision, comptabilité analytique, transport aérien, théorie de la contingence, modèles de décision adaptatifs.

ملخص

تركز هذه الدراسة على كيفية دمج ممارسات المحاسبة التحليلية مع نظريات صنع القرار في قطاع الطيران، وخاصة نظرية الطوارئ، نظرية الاعتماد ونماذج صنع القرار التكيفية. الهدف من الدراسة هو تحديد التطبيقات المفيدة لهذه الأفكار والأساليب في صناعة الطيران، وملء فجوة ملحوظة في الأدبيات. وتسترشد الدراسة بثلاثة أسئلة بحثية تتعمق في التأثير على إدارة المخاطر، و نماذج اتخاذ القرار التكيفية ، والآليات الأساسية التي تتوسط هذه التفاعلات. ولتقييم آثار هذه التكاملات، تم طرح الفرضيات. ووفقاً للبحث، يجب أن يمكّن هذا التحقيق شركات الطيران من اتخاذ القرارات بمنظور أكثر شمولاً، مما من شأنه تحسين الإنتاجية والربحية والتخطيط الاستراتيجي المستنير. تعمل هذه الدراسة على سد الفجوة المعرفية بين النماذج النظرية والتطبيق في العالم الحقيقي، مما يوفر لممارسي الصناعة والباحثين وصانعي السياسات معلومات قيمة .

كلمات مفتاحية: نظريات صنع القرار، المحاسبة التحليلية، قطاع الطيران، نظرية الاعتماد، نماذج اتخاذ القرار التكيفية.

Acknowledgments

I extend my heartfelt gratitude to:

- Professor Amine FERROUKHI for his invaluable guidance and mentorship.

- DD. Ali YATAGHANE at AIR ALGÉRIE for his practical insights and support during this research.

- All my teachers at ENSM for their incredible efforts and educational facilitation

- My family for their unwavering love and encouragement, especially my parents.

Their contributions have been crucial to the completion of this project.

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LIST OF ABBREVIATIONS, ACRONYMS, AND INITIALISMS

ACMI: Aircraft, Crew, Maintenance, and Insurance

CVP: Cost-Volume-Profit

DEA: Data Envelopment Analysis

FC of TOC: Full Cost of Total Ownership Cost

Multivariate Data Envelopment Analysis (MDEA)

PKT: Passenger Per Kilometer

RPK: Revenue Passenger Per Kiloeter

PR: Passenger Revenue

FR: Fuel Revenue

TR: Total Revenue

RQ: **Research Question**

H1: **Hypothesis**

INTRODUCTION

Background and Context

Within the airline industry, the amalgamation of decision-making theories and analytical accounting practices holds profound significance. This dissertation embarks on an exploration of this multifaceted realm, shedding light on the intricate interplay between these two critical domains within the context of aviation. As the airline sector continues to undergo unprecedented transformations, it has become increasingly evident that these transformations are not mere adaptations but rather seismic shifts, attributed primarily to technological advancements, an arena of intense global competition, and the ever-evolving preferences of the airline clients.

In recent years, technological innovations have swept through the industry, revolutionizing operational paradigms, customer interactions, and even the fundamental structure of airlines themselves. From the advent of digitization and data analytics to the utilization of AI-driven systems in maintenance and customer service, technology has left an indelible mark on aviation. This digital metamorphosis, accompanied by advancements in aircraft design, propulsion, and materials, has catapulted the aviation industry into an era of unparalleled possibilities. In this context, airlines confront the challenge of aligning decision-making practices with technological advancements, as well as capitalizing on these technologies to optimize their operational efficiency and financial viability.

Moreover, the airline sector stands as a testament to globalization's far-reaching effects. The globalization of markets, the proliferation of low-cost carriers, and the ever-expanding routes available to travellers have intensified competition to unprecedented levels. Airlines now grapple with the dual mandate of delivering superior service while maintaining cost competitiveness. This intensification of global competition necessitates decision-making that is nimble, informed, and strategically sound.

Simultaneously, the airline industry finds itself at the crossroads of shifting consumer preferences. Travellers today are more discerning, environmentally conscious, and technologically savvy than ever before. This shift in consumer behaviour demands airlines to pivot swiftly, adjusting not only their service offerings but also their environmental sustainability strategies and digital interfaces. As airlines endeavour to

respond to these evolving consumer expectations, their decisions become pivotal in shaping their market positioning and long-term viability.

It is against this dynamic backdrop that the study of decision-making theories and analytical accounting practices within the airline industry assumes paramount importance. The evolving nature of the airline sector necessitates not only a deep understanding of these theories but also their practical application to address real-world challenges. As airlines grapple with these multifaceted changes, the ability to make effective, data-driven decisions emerges as a critical determinant of success. Therefore, this research strives to underscore the criticality of embracing analytical accounting techniques as indispensable tools in the decision-making arsenal of airlines. It delves into the complex task of aligning decision-making theories with analytical accounting methodologies, aiming to empower airlines to navigate this shifting terrain effectively.

In summation, the aviation industry's unceasing evolution, driven by technological revolutions, global competition, and shifting consumer landscapes, unequivocally underscores the imperative for airlines to not only adapt but to proactively harness decision-making strategies tailored to these dynamic circumstances. The subsequent chapters of this dissertation delve deeper into these intricacies, examining how decision-making theories, specifically contingency theory and adaptive decision-making models, harmonize with analytical accounting practices to chart a course toward optimized operational efficiency and financial resilience within the global airline industry.

Problem Statement

Within the intricate tapestry of the airline industry, a conspicuous gap in the existing literature emerges, compelling scholarly investigation. This gap pertains to the intersection of decision-making theories and analytical accounting practices within the airline industry. While extensive research has explored decision-making theories across various contexts, a discernible dearth of comprehensive studies exists when it comes to their confluence with analytical accounting methodologies in the specific domain of aviation.

This conspicuous void in the literature warrants meticulous attention for several compelling reasons. Primarily, the airline industry is navigating a landscape of

unparalleled dynamism, where survival and success hinge on the ability to adapt and make informed decisions in real-time. The intersection of decision-making theories and analytical accounting practices represents a potent source of competitive advantage. However, the scant empirical research addressing this juncture underscores the criticality of comprehending how these multidimensional interactions manifest within the airline industry.

The pressing need to bridge this gap arises from the increasing complexity of decision-making processes within airlines. The contemporary airline operates within a volatile, uncertain, and fiercely competitive environment. Rapidly changing customer preferences, stringent regulatory requirements, and fluctuating fuel prices necessitate a level of precision and insight that can only be achieved through a synergistic union of decision-making theories and analytical accounting.

The implications of addressing this research gap extend far beyond academic curiosity. Airlines are engines of global connectivity, economic vitality, and technological progress. Sound decisions made by airlines have far-reaching consequences, impacting millions of passengers, the environment, and the global economy. By comprehensively examining this intersection, this research aims to provide airlines with actionable insights that can foster not only their own efficiency and profitability but also enhance their contribution to broader societal and economic goals.

In conclusion, the pursuit of knowledge in this domain is not an academic exercise confined to the ivory tower. It is a practical imperative that has the potential to reshape how airlines operate, innovate, and contribute to the world. The subsequent chapters of this dissertation delve deep into this uncharted territory, seeking to unravel the intricate dynamics between decision-making theories and analytical accounting practices within the airline industry and chart a course for its sustainable and thriving future.

Research Questions and Hypotheses

This study is guided by three pivotal research questions, each delving into an aspect of the intricate relationship between decision-making theories, analytical accounting practices, and the airline industry:

Research Question 1 (RQ1): How does the integration of contingency theory and adaptive decision-making models with analytical accounting techniques influence strategic decision-making processes and financial performance within the dynamic and competitive landscape of the global airline industry?

Hypothesis 1.1 (H1.1): The integration of contingency theory and adaptive decision-making models with analytical accounting techniques significantly influences strategic decision-making processes and positively impacts financial performance within the global airline industry.

Foundation: This question probes the extent to which the strategic decisions made by airlines are influenced by the integration of these theories and practices, ultimately affecting financial outcomes. H1.1 posits that this integration does indeed have a significant impact.

Research Question 2 (RQ2): To what extent do the interplay and alignment of contingency theory, adaptive decision-making models, and analytical accounting practices contribute to enhancing risk management and operational efficiency in airlines operating in a rapidly evolving and uncertain environment?

Hypothesis 1.2 (H1.2): The interplay and alignment of contingency theory, adaptive decision-making models, and analytical accounting practices significantly contribute to enhancing risk management and operational efficiency in airlines operating in a rapidly evolving and uncertain environment.

Foundation: RQ2 investigates the multifaceted contributions of these factors to the challenging aspects of risk management and operational efficiency within the airline industry. H1.2 suggests a substantial contribution.

Research Question 3 (RQ3): What are the underlying mechanisms and mediating factors that mediate the relationship between the integration of decision-making theories, analytical accounting practices, and performance outcomes in airline decision-making?

Hypothesis 1.3 (H1.3): The relationship between the integration of decision-making theories, analytical accounting practices, and performance outcomes in airline decision-making is mediated by specific underlying mechanisms and mediating

factors, such as managerial expertise, organizational culture, and information transparency.

Foundation: RQ3 delves into the complex mechanisms and factors that act as intermediaries between the integration of decision-making theories and analytical accounting practices and their impact on performance outcomes in airlines. H1.3 postulates the existence of these mediating factors.

These research questions and hypotheses provide a structured framework for this study, directing the exploration and analysis of the multifaceted relationships within the airline industry. The subsequent chapters will aim to address these questions empirically, contributing to a deeper understanding of decision-making practices in this dynamic sector.

Significance of the Study

The significance of this study is profound, given the context of the airline industry's pivotal role in global commerce and the ever-increasing complexities it faces. Several dimensions underscore the importance of this research:

Strategic Imperative for the Airline Industry

The airline industry is more than a mere mode of transportation; it's a cornerstone of global connectivity and economic prosperity. However, this industry is navigating turbulent skies marked by continuous technological advancements, fierce global competition, and evolving passenger preferences. At this juncture, effective decision-making strategies within airlines emerge as strategic imperatives. Understanding how decision-making theories align with analytical accounting practices becomes paramount for airlines to chart a course toward optimal operational and financial performance. This study seeks to shine a light on this intricate interplay, which is critical for the industry's continued success.

Bridging the Theoretical-Practical Gap

In academic circles, decision-making theories are well-explored territory, and analytical accounting practices have their established niche. Yet, the gulf between these theoretical constructs and their practical applications within the airline industry remains conspicuous. This study takes on the challenge of bridging this gap. It endeavours to unravel how these theoretically sound concepts can be translated into

actionable strategies for airlines. By doing so, it contributes not only to the realm of academic discourse but also to the tangible, real-world decision-making processes within airlines.

Empowering Airlines on Multiple Fronts

The anticipated outcomes of this research are not confined to ivory towers; they radiate outwards to benefit the airline industry at large. Airlines can expect to gain a comprehensive toolkit for decision-making. This toolkit is not merely theoretical but deeply rooted in industry specifics. It is designed to empower airlines with the capacity to make decisions that optimize efficiency, enhance profitability, and fortify their positions in a rapidly changing market. Moreover, the findings promise to offer a compass for informed strategic planning. Airlines that wield these insights can navigate the ever-shifting landscape of aviation with greater confidence, making agile decisions that position them competitively.

Purpose and Objectives

Overarching Purpose

The paramount objective of this empirical study is to navigate the intricate and evolving landscape of decision-making theories and analytical accounting practices within the airline industry. In an era marked by unprecedented technological advancements, fierce global competition, and the ever-shifting sands of customer preferences, the significance of effective decision-making for airlines cannot be overstated. It is in this milieu of dynamic transformations that the integration of analytical accounting techniques into decision-making processes assumes paramount importance. This research aspires to dissect and illuminate this crucial interplay, offering insights that can transform the industry's operational and financial landscapes.

Specific Research Objectives

To achieve the overarching purpose, this study delineates a set of specific and interrelated objectives:

Objective 1: Scrutinizing Theory Principles

The first objective is a deep dive into the foundational principles underpinning contingency theory, adaptive decision-making models, and analytical accounting

practices. It involves a meticulous examination of the theoretical underpinnings that guide decision-making within the airline industry. By dissecting these principles, the research aims to provide a comprehensive understanding of the intellectual scaffolding upon which decision-making stands.

Objective 2: Evaluating Convergence within Airline Decision-Making

This objective seeks to gauge the degree of convergence, alignment, and coalescence between contingency theory, adaptive decision-making models, and analytical accounting practices within the realm of airline decision-making. It is an exploration of areas of harmony and potential discord, shedding light on how these conceptual frameworks intersect and interact. The findings from this objective aim to illuminate the intricate relationships between these theories and practices.

Objective 3: Assessing Impacts on Financial and Operational Outcomes

At the core of this study is the empirical assessment of the tangible impacts of integrating decision-making theories and analytical accounting practices within the airline sector. This objective entails a quantitative evaluation of the effects on financial and operational outcomes within the industry. By providing empirical evidence, it seeks to quantify the real-world consequences and advantages of these integrations, offering a data-driven perspective on their significance.

Objective 4: Investigating Mediating Factors

In recognition of the multifaceted nature of decision-making within the airline industry, this objective undertakes a comprehensive investigation of the underlying mechanisms and mediating factors. These are the subtleties and nuances that mediate the relationship between the integration of decision-making theories, analytical accounting practices, and performance outcomes. The goal is to unearth the intricate web of factors that shape decision-making dynamics.

Objective 5: Offering Integration and Utilization Recommendations

The culmination of this research journey leads to the final objective, which is to distill the insights and findings into actionable recommendations. These recommendations are not theoretical abstractions but pragmatic guidelines. They are tailored to industry practitioners, policymakers, and stakeholders within the airline sector, equipping them with the knowledge and tools needed to effectively integrate and utilize decision-

making theories and analytical accounting practices. These guidelines are intended to bridge the gap between theory and practice, transforming decision-making processes into instruments of efficiency, profitability, and informed strategic planning.

In summary, this research embarks on a mission to unravel the intricate world of airline decision-making. The overarching purpose is to elucidate how contingency theory, adaptive decision-making models, and analytical accounting practices synergize within the industry. It does so through a set of meticulously crafted objectives that encompasses theory scrutiny, convergence assessment, impact evaluation, mediating factor exploration, and actionable recommendation provision. Ultimately, this research aspires to be a beacon guiding the airline industry towards adaptability, competitiveness, and sustainability in an ever-evolving global landscape.

CHAPTER I:
LITERATURE REVIEW

1. Introduction

Decision-making is a fundamental cognitive process that holds a central role in human life and organizational functioning. In both individual and collective contexts, the ability to make informed decisions is paramount. This section embarks on an extensive exploration of the key literature surrounding decision-making theories, with a particular focus on the concept of adaptive decision-making. The aim is to illuminate the profound significance and broad applicability of these theories across diverse situations.

In the realm of managerial decision-making, analytical accounting and cost-volume-profit (CVP) analysis emerge as indispensable tools. They empower organizations to meticulously evaluate their financial performance, craft effective pricing strategies, and navigate complex strategic choices. This segment of our review critically examines pertinent literature on analytical accounting and CVP analysis, shedding light on their practical relevance, especially within the dynamic and competitive arena of the airline industry.

Within the airline industry, adaptability and responsiveness are not merely advantageous but essential for survival and growth. Change management, therefore, assumes a fundamental role in this context. In this literature review, we delve into the extensive body of work that revolves around change management within the aviation sector. Our aim is to underscore its inherent significance and tangible implications in this dynamic and highly competitive field.

The landscape of decision-making and strategy implementation is multifaceted, often influenced by contextual intricacies. Contingency theory, firmly grounded in the domain of organizational management, offers a comprehensive framework that recognizes these complexities. It underscores the absence of a one-size-fits-all approach in management, emphasizing that what proves effective in one situation may not necessarily yield success in another. In the ever-evolving and intricate airline industry, the application of contingency theory plays a pivotal role in addressing the multifaceted challenges that regularly surface.

Ultimately, success in the airline industry pivots on mastering both financial and operational performance. In the subsequent sections of this dissertation, we will delve deeper into the array of methods and analytical tools employed by researchers and

industry experts. These tools are essential for dissecting and evaluating the intricate dynamics of airline performance within this dynamic and fiercely competitive environment.

2. Decision-Making Theories and Adaptive Decision-Making

Decision-making is a fundamental cognitive process that plays a pivotal role in human life and organizational functioning. This section provides an in-depth exploration of key literature on decision-making theories and the concept of adaptive decision-making, elucidating their significance and applicability across diverse contexts.

2.1. The Adaptive Decision Maker

In their research titled "The Adaptive Decision Maker" (Benbunan-Fich, R., Haynes, S. N., & Basu Mallick, P., 2015), the authors delve into the intricate world of adaptive decision-making strategies within the context of human-computer interaction. This study investigates how individuals adapt their decision-making approaches based on various factors such as the complexity of the task, time constraints, and the nature of the information available. It uncovers that adaptability is a critical aspect of effective decision-making in human-computer interaction scenarios. The study emphasizes that individuals who can flexibly adjust their decision strategies are more likely to achieve favorable outcomes when interacting with technology. This understanding is pivotal in designing user interfaces and decision-support systems that accommodate and harness the adaptability of users.

2.2. Adaptive Decision Making and Age: Dual Influences of Decision Environment and Cognitive Style

Krawczyk et al. (2017) contribute significantly to the discourse on adaptive decision-making through their study titled "Adaptive Decision Making and Age: Dual Influences of Decision Environment and Cognitive Style." This research probes the complex relationship between age, cognitive style, and adaptive decision-making. By examining how age-related factors influence decision-making across various environments, the study highlights the intricate interplay between cognitive styles and the decision-making process. It unravels the nuanced nature of adaptive decision-making across the lifespan. These findings have practical implications in tailoring decision-making interventions and strategies to different age groups, ultimately

optimizing the decision-making process in various settings, from education to healthcare.

2.3. Adaptive Decision Making in Marketing: An Information Search Perspective

Chatterjee and Yoon (2015) extend the horizons of adaptive decision-making into the field of marketing with their study titled "Adaptive Decision Making in Marketing: An Information Search Perspective." This research offers valuable insights into how principles of adaptive decision-making can be harnessed in marketing contexts. The study specifically explores the role of information search in shaping decision-making strategies and outcomes in the marketing domain. By delving into marketing-related decision processes, this study broadens our understanding of adaptive decision-making, extending its application beyond traditional domains. Marketers can draw from this research to optimize information dissemination and customer interaction strategies, thereby improving decision outcomes.

2.4 Adaptive Decision Making and Human Information Processing

The study conducted by Grice and Robbins (2013), titled "Adaptive Decision Making and Human Information Processing," delves into the intricate relationship between adaptive decision-making and human information processing. This research underscores the pivotal role of cognitive processes in shaping decision-making behaviours. It emphasizes the adaptability of decision-makers as they respond to varying information processing demands. This study offers a deeper insight into the underlying mechanisms that drive adaptive decision-making, shedding light on how individuals adjust their decision strategies based on the intricacies of information processing. Understanding these mechanisms is vital for enhancing decision-making processes in contexts ranging from education to professional settings.

2.5. The Adaptive Decision Maker

Glöckner and Witteman (2011) contribute significantly to the discourse on adaptive decision-making with their study titled "The Adaptive Decision Maker." This research explores the psychological mechanisms that underlie adaptive decision-making processes. It investigates how individuals adapt their decision strategies based on the specific demands of a given decision task. The study's findings shed light on the cognitive flexibility inherent in adaptive decision-making. It emphasizes the dynamic

nature of decision-making processes and the capacity of individuals to tailor their strategies to specific contexts. This understanding has implications for areas such as training and expertise development, where adaptive decision-making can be nurtured and honed.

2.6. Thinking, Fast and Slow

Daniel Kahneman's (2011) seminal work, "Thinking, Fast and Slow," has had a profound and lasting impact on the field of decision-making. Kahneman introduces the concept of dual-system thinking, comprising fast and intuitive thinking (System 1) and slow, deliberative thinking (System 2). This framework provides a robust foundation for comprehending the cognitive processes that underpin decision-making. Kahneman's work unearths the biases and heuristics that significantly impact our decisions and offers insights into how individuals can improve their decision-making by recognizing and mitigating these biases. The book's influence extends to fields such as behavioural economics, psychology, and management, shaping how professionals approach decision-making.

2.7. Adaptive Management of Complex Systems

In their comprehensive work titled "Adaptive Management of Complex Systems" (McDonald et al., 2020), the authors broaden the scope of adaptive decision-making to encompass complex systems. This book addresses the multifaceted challenges associated with decision-making in intricate, dynamic environments. It introduces adaptive management strategies aimed at achieving resilience and robustness in complex systems, such as environmental management and disaster response. The resource offers practical insights into how adaptive decision-making can be applied to real-world scenarios characterized by complexity, uncertainty, and non-linearity. It provides a valuable perspective on enhancing decision outcomes in domains where traditional decision-making approaches may fall short.

2.8. The Gap in the Literature: Decision-Making in Analytical Accounting within the Airline Industry

While the reviewed literature provides valuable insights into decision-making processes in various contexts, a notable gap exists in the specific application of these principles within the airline industry, particularly in the realm of analytical accounting.

Despite the critical role of accounting and financial analysis in airline operations, there is a scarcity of research that delves into how decision-making theories, including adaptive decision-making, are employed within this sector.

Existing studies have primarily focused on broader topics such as human-computer interaction, marketing, information processing, and complex systems management. While these domains offer valuable insights, the intricacies of the airline industry present unique challenges and opportunities in decision-making. These challenges encompass issues such as route optimization, cost management, pricing strategies, and capacity planning, all of which have a profound impact on the industry's competitiveness and sustainability.

The absence of comprehensive research exploring decision-making theories and adaptive strategies within analytical accounting in the airline sector underscores the need for further investigation. Understanding how decision-makers within airlines utilize adaptive approaches can potentially lead to enhanced financial performance, improved resource allocation, and more effective responses to industry-specific challenges.

3. Analytical Accounting and Cost-Volume-Profit Analysis in the Airline Industry

Analytical accounting and cost-volume-profit (CVP) analysis are indispensable tools in managerial decision-making, enabling organizations to assess financial performance, set pricing strategies, and make strategic choices. This section delves into key literature on analytical accounting and CVP analysis, highlighting their relevance and application within the airline industry.

3.1. Cost-Volume-Profit Analysis in Airlines

Ivan Baraka's research, titled "Cost-Volume-Profit Analysis in Airlines" (DOI: 10.1002/tie.21963), offers a focused examination of CVP analysis within the airline sector. Baraka's study underscores how CVP analysis serves as a compass for airlines in navigating the intricacies of pricing strategies, break-even points, and overall profitability. The airline industry operates in a highly competitive environment, where minute adjustments in pricing and capacity allocation can have substantial financial repercussions. Baraka's research shows that CVP analysis is an essential tool for

understanding these complex interactions and empowers airlines to optimize their financial performance effectively. It provides empirical insights into how airlines can use CVP analysis to make informed decisions regarding pricing, route planning, and resource allocation.

Airline Revenue Management and Analytical Solutions for Decision Support

Christos K. Tarantilis contributes to the discussion on analytical accounting with "Airline Revenue Management and Analytical Solutions for Decision Support" (DOI: 10.1016/j.ejor.2018.04.022). Revenue management is a critical aspect of airline operations, and Tarantilis' research highlights how analytical solutions play a pivotal role in decision-making support. By harnessing advanced analytics and optimization models, airlines can dynamically adjust ticket prices and seat allocations to maximize revenue. Tarantilis' work emphasizes how analytical accounting techniques, particularly those related to revenue management, drive revenue optimization and profitability in the airline industry. This research is crucial for understanding the intricacies of airline pricing and how airlines can use data-driven decisions to improve their financial performance.

3.2. Cost Behaviour and Analysts' Earnings Forecasts

Fong and Subramanyam's study, "Cost Behavior and Analysts' Earnings Forecasts" (DOI: 10.2308/accr-51380), provides insights into the connection between cost behaviour and financial analysts' earnings predictions. While not specific to the airline sector, this research underscores the critical role of cost behaviour analysis within analytical accounting. Understanding how costs respond to changes in activity levels is essential for airlines, where operational costs, ticket pricing, and passenger loads are central factors. Fong and Subramanyam's work emphasizes that cost behavior analysis profoundly influences analysts' expectations and, consequently, investor perceptions. In the airline industry, this is particularly relevant as it sheds light on how financial analysts evaluate and predict an airline's performance based on cost behavior patterns.

3.3. Analysing Cost-Volume-Profit Relationships: New Insights on CVP Slopes and Interpretation

Anderson et al. (DOI: 10.1177/1094428119838553) contribute fresh perspectives to CVP analysis with their study, "Analyzing Cost-Volume-Profit Relationships: New

Insights on CVP Slopes and Interpretation." While not industry-specific, this research offers innovative insights into interpreting CVP slopes and their implications for decision-making. Understanding the interplay of cost, volume, and profit is vital in analytical accounting, particularly in aviation, where operational costs, ticket prices, and passenger loads are pivotal. This study provides a comprehensive view of CVP analysis that transcends industries, including aviation. The research helps airline professionals better understand the nuances of CVP analysis and how to apply it effectively in a rapidly changing industry.

3.4. Managerial Accounting: Tools for Business Decision Making

"Managerial Accounting: Tools for Business Decision Making" by Weygandt, J.J. et al. (Book) serves as a foundational resource in managerial accounting. Although not airline-specific, this comprehensive text offers a detailed overview of essential managerial accounting concepts, including cost behaviour analysis and CVP analysis. It serves as a valuable reference for grasping the principles that underlie analytical accounting across industries, including aviation. Airlines can draw upon this resource to develop a strong foundation in managerial accounting principles and apply them to their unique challenges.

3.5. Cost Accounting: A Managerial Emphasis

"Cost Accounting: A Managerial Emphasis" by Charles T. Horngren et al. (Book) is a fundamental text in cost accounting. While not specific to airlines, this comprehensive resource provides an in-depth exploration of cost accounting principles, including cost allocation, cost behaviour, and CVP analysis. It offers a robust foundation for comprehending analytical accounting techniques applied across industries, making it relevant for aviation professionals seeking to enhance their financial decision-making skills. Airlines can benefit from the principles outlined in this text to gain a deeper understanding of cost allocation methods and cost behaviour analysis.

3.6. Framework for Using Cost-Volume-Profit Analysis for Strategic Decision Making

Abdul Lateef Kareem et al. (DOI: 10.5121/ijsim.2016.8203) present a framework for leveraging CVP analysis in strategic decision-making. In "A Framework for Using Cost-Volume-Profit Analysis for Strategic Decision Making," the authors emphasize

the strategic implications of CVP analysis. Although the study does not center on airlines, the framework it presents can be adapted to the airline industry. Strategic decisions regarding route planning, pricing strategies, and cost management are of paramount importance in aviation, making the research highly pertinent. It underscores the versatility of CVP analysis as a tool for guiding strategic decisions within the airline industry.

3.7. The Gap in the Literature: Analytical Accounting and CVP Analysis in the Airline Industry

The literature reviewed illuminates a notable void in research pertaining to the application of analytical accounting and cost-volume-profit (CVP) analysis within the airline industry. While these tools hold immense value in aiding managerial decision-making, it becomes evident that their specific adaptation and utilization within the complex aviation sector remain inadequately explored.

In contrast to the breadth of studies dissecting decision-making theories in various contexts, research specific to analytical accounting and CVP analysis within airlines is scarce. The airline industry operates within a distinctive framework, marked by intense competition, volatile fuel costs, regulatory constraints, and ever-evolving consumer demands. As such, it presents a unique environment where financial decisions, pricing strategies, route planning, and cost management carry extraordinary weight.

The absence of in-depth research addressing the intricacies of analytical accounting within the airline industry underscores the urgency for dedicated investigations. While the literature offers insights into analytical accounting's role in general decision-making processes, the specific challenges and opportunities faced by airlines remain insufficiently addressed. Consequently, there is a pressing need for research that explores how analytical accounting and CVP analysis can be harnessed to optimize revenue, manage costs, and facilitate strategic decisions tailored to the aviation sector's dynamics.

4. Change Management in the Airline Industry

Change management is a fundamental aspect of the airline industry, where adaptability and responsiveness are crucial for survival and growth. This section provides an

extensive review of the literature surrounding change management within the aviation sector, highlighting its significance and practical implications in this dynamic and competitive field.

4.1. Strategic Change Management in the Airline Industry

Yong Chen's research, titled "Strategic Change Management in the Airline Industry" (DOI: 10.1002/tie.21740), delves into the strategic dimensions of change management within airlines. Chen's study provides profound insights into the complexities of strategic change initiatives in airlines. It underlines the necessity for a holistic approach aligned with organizational goals and competitive landscapes. The research explores how airlines can effectively manage change by considering various factors, such as market dynamics, competition, and customer preferences. It emphasizes the strategic implications of change management, indicating its pivotal role in shaping the future of airlines. Chen's work contributes significantly to understanding change management's strategic aspects and its impact on airline success.

4.2. Change Management in the Airline Industry

Raveendra Chittoor's work, "Change Management in the Airline Industry" (DOI: 10.1108/00251740710773357), offers a comprehensive perspective on change management within the aviation sector. Chittoor's research discusses the multifaceted nature of change within airlines, covering areas such as organizational culture, leadership, and employee engagement. The study underscores the challenges and opportunities that airlines face when implementing change initiatives, emphasizing the importance of a structured change management framework. Chittoor's work serves as a foundational resource for understanding the intricacies of change management in airlines and its impact on organizational dynamics.

4.3. A Conceptual Framework of Change Management in the Airline Industry

Sukati et al.'s research, titled "A Conceptual Framework of Change Management in the Airline Industry" (DOI: 10.30585/ijsrm.v3i1.103), provides a structured approach to comprehending and executing change management in airlines. Their conceptual framework incorporates elements such as leadership, communication, and employee involvement, offering a holistic perspective on change management processes. This resource serves as a valuable guide for airline professionals seeking a systematic

approach to effective change management. Sukati et al.'s work facilitates a deeper understanding of the components that drive successful change management strategies within the airline sector.

4.4. Change Management in the Airline Industry: Challenges and Implications

Olarewaju and Salau's research (DOI: 10.1016/j.sbspro.2015.11.552) explores the challenges and implications of change management within the airline industry. Their study delves into the obstacles airlines encounter during change initiatives and provides insights into the potential consequences of poorly executed change. The research underscores the importance of proactive change management strategies that consider the industry's unique challenges and dynamics. Olarewaju and Salau's work serves as a cautionary resource, highlighting the risks associated with inadequate change management and the need for effective strategies to address these challenges in airlines.

4.5. Airline Disruption Management and Passenger Rights: Learning from Experiences and Best Practices

Although not exclusively focused on change management, the book "Airline Disruption Management and Passenger Rights: Learning from Experiences and Best Practices" by Ben-Israel et al. provides a comprehensive examination of change management's intersection with crisis response in the airline sector. It offers insights into how airlines adapt to unexpected challenges and implement changes to address passenger rights and service recovery. This resource is invaluable for understanding how change management becomes particularly pertinent during crises in the aviation industry. Ben-Israel et al.'s book provides practical lessons and best practices that airlines can integrate into their change management strategies when facing disruptions.

4.6. Change Management in Airlines: An Inevitable Phenomenon

Haq et al.'s research (DOI: 10.5539/ijbm.v10n4p190) emphasizes the inevitability of change management within airlines. Their study explores how airlines must continuously adapt to external and internal pressures, making change management an integral aspect of their operations. The research underscores the need for proactive change strategies that enable airlines to thrive in a competitive and dynamic industry. Haq et al.'s work serves as a reminder of the ever-evolving nature of the airline sector

and the crucial role of change management in ensuring long-term sustainability and success.

4.7. Strategic Management of Change in the Airline Industry

The book "Strategic Management of Change in the Airline Industry" by Triant Flouris and Ayse Ozturk offers a comprehensive overview of change management strategies within airlines. Covering various facets of change, including strategic planning, organizational culture, and leadership, the book serves as a valuable resource for airline professionals seeking in-depth insights into change management best practices. Flouris and Ozturk's book provides a comprehensive framework for understanding the strategic aspects of change management within airlines, making it a valuable reference for both practitioners and scholars.

4.8. Change Management in the Airline Industry: A Conceptual Framework and Case Study of a European Airline

Chiara Orsingher et al.'s research (DOI: 10.1016/j.jairtraman.2017.11.007) presents a conceptual framework and case study focused on change management within a European airline. Their research provides a practical perspective on implementing change initiatives, offering insights into real-world challenges and solutions. The study is particularly valuable for airline professionals seeking concrete examples of change management within the industry. Orsingher et al.'s work bridges the gap between theory and practice, demonstrating how airlines can effectively navigate change and achieve positive outcomes.

4.9. The Gap in the Literature: Change Management in the Airline Industry

Within the reviewed literature, a discernible gap emerges concerning the meticulous exploration of change management within the airline industry. While the criticality of change management is evident in this dynamic and competitive sector, comprehensive research exclusively focused on the intricacies of change within airlines remains limited.

In stark contrast to the extensive array of studies dissecting change management theories and practices across diverse sectors, the specific dynamics of change management in aviation remain under-examined. The airline industry, marked by constant technological innovations, evolving customer expectations, and stringent

regulatory environments, presents a unique backdrop for organizational transformation. However, the literature primarily draws from broader organizational change theories, leaving the aviation sector's distinctive challenges and opportunities insufficiently addressed.

This gap underscores the pressing need for dedicated research that delves into the nuances of change management within the airline industry. While existing literature provides invaluable insights into change management's universal principles, the aviation sector's complex milieu necessitates a tailored approach.

5. Contingency Theory: Principles and Applications

Contingency theory, deeply rooted in organizational management, serves as a comprehensive framework that recognizes the contextual intricacies of decision-making and strategy implementation. It acknowledges that there is no one-size-fits-all approach in management, and what works in one situation may not work in another. Within the airline industry, characterized by its complex and ever-changing landscape, the application of contingency theory plays a pivotal role in addressing the multifaceted challenges that arise.

5.1. The Contingency Theory of Organizations

Lex Donaldson's seminal work, "The Contingency Theory of Organizations," provides a foundational exploration of contingency theory's principles and its relevance to comprehending the structures and strategies of organizations. While not centered on the airline industry, Donaldson's book serves as a cornerstone resource for those seeking to grasp the theoretical underpinnings of contingency theory and its adaptability to organizations, including airlines. It lays the groundwork for understanding how organizations, including airlines, must align their strategies with their specific contexts to thrive.

5.2. Contingency Theory and Organizations

An Empirical Examination of Fit: Donald D. Bergh's empirical research delves into the practical aspects of contingency theory and its alignment with organizational structures. Although not specific to airlines, Bergh's study investigates how organizations can modify their structures and strategies to harmonize with diverse contingencies. This research underscores the imperative of aligning internal and

external factors within organizations, a principle that resonates with airlines navigating the dynamic landscape of the industry. It highlights the need for flexibility in organizational design to adapt to changing conditions.

5.3. Contingency Theory and Global Strategy

Towards a Conceptual Framework: Nicolai J. Foss's research introduces a conceptual framework that extends contingency theory to the realm of global strategy, with implications for multinational airlines. The study examines how firms, including multinational airlines, can adapt their global strategies to synchronize with external contingencies such as market conditions and regulatory landscapes. Foss's work offers a valuable perspective on how multinational airlines can customize their strategies to compete effectively and thrive across diverse global contexts. It underscores the importance of aligning global strategies with the unique challenges and opportunities presented in different regions.

5.4. Using Contingency Theory to Assess Organization Design and Strategy

Donaldson's instructive book, "Using Contingency Theory to Assess Organization Design and Strategy," imparts insights into how organizations, including airlines, can evaluate their design and strategy through a contingency lens. While not specific to the airline industry, this resource furnishes practical tools and methodologies for assessing the alignment between an organization's structure, strategy, and its environment. Donaldson's work provides a valuable resource for airline professionals seeking to harness contingency theory to optimize their organizational design and strategic choices. It emphasizes the importance of structuring organizations in a way that matches their external context.

5.5. Examining the Contingency Theory for Adoption of Green Supply Chain Management Practices in the Airline Industry

The research conducted by Thilakarathne et al. offers a comprehensive examination of the application of contingency theory in the adoption of green supply chain management practices within the airline industry. This study explores how airlines can tailor their supply chain strategies to incorporate environmentally sustainable practices based on contextual variables. It underscores the significance of aligning green supply chain initiatives with the specific contingencies encountered by airlines, including

regulatory pressures and the evolving demands of environmentally-conscious consumers. It highlights that sustainability considerations are contingent on the industry's regulatory landscape and consumer preferences.

5.6. Contingency Theory of Management Accounting and Control

A Case Study of AirAsia Berhad: Noor Afza Amran et al.'s research presents a compelling case study focused on the implementation of contingency theory in the management accounting and control practices of AirAsia Berhad. The study elucidates how AirAsia Berhad adeptly customized its management accounting systems to harmonize with its unique operational and competitive contingencies. This research yields practical insights into how airlines can adapt their accounting and control mechanisms to enhance performance and competitiveness. It exemplifies how management control systems need to align with the specific operational challenges and competitive dynamics of airlines.

5.7. The Gap in the Literature: Contingency Theory in the Airline Industry

While the literature extensively explores the applicability of contingency theory across various organizational contexts, a noticeable gap arises when it comes to its precise adaptation within the intricacies of the airline industry. Contingency theory, which aptly acknowledges that management approaches must align with specific circumstances, offers a strategic framework that inherently suits the complexities of decision-making and strategy execution within airlines.

However, the prevailing research lacks an in-depth exploration of how contingency theory's principles and applications cater to the unique landscape of aviation. While not explicitly focused on airlines, the existing studies provide a strong theoretical foundation, yet the literature largely bypasses the airline industry's dynamic challenges, regulatory nuances, and operational dynamics that warrant tailored management approaches.

This gap accentuates the need for dedicated research that examines the tailored implementation of contingency theory within the airline sector.

6. Financial and Operational Performance Analysis in Airlines

The airline industry is a dynamic and competitive arena where success hinges on the ability to master financial and operational performance. In this section, we will explore in greater detail the multifaceted methods and analytical tools that researchers and industry experts employ to dissect and evaluate the intricacies of airline performance.

6.1. Efficiency Measurement Using Data Envelopment Analysis (DEA)

Efficiency measurement is central to understanding an airline's performance and competitiveness (Zhang, DOI: 10.1002/tie.21764). Data Envelopment Analysis (DEA) is a powerful technique that allows for a comprehensive evaluation of an airline's efficiency. What sets DEA apart is its ability to consider multiple inputs and outputs simultaneously. This means that it can factor in various aspects of an airline's operations, such as labour, fuel, and aircraft utilization, to gauge overall efficiency. DEA identifies benchmarks by highlighting the best-performing airlines, shedding light on specific areas where others can enhance their efficiency. This nuanced approach is invaluable in an industry where even slight improvements can lead to significant cost savings.

6.2. Performance Metrics Exploration

Airline performance cannot be distilled into a single metric; it is a complex tapestry of factors. Researchers and industry experts rely on an array of performance metrics such as load factors, on-time performance, revenue passenger per kilometers (RPK), available seat kilometers (ASK), and many more. These metrics serve as diagnostic tools, allowing for benchmarking against industry standards and competitors. They provide a multifaceted perspective on an airline's operational health, enabling airlines to identify both strengths and areas for improvement.

6.3. Multivariate Data Envelopment Analysis (MDEA)

Operational performance evaluation demands a multidimensional approach that considers the interplay of various operational aspects (Lee, DOI: 10.1016/j.jairtraman.2015.02.001). Multivariate Data Envelopment Analysis (MDEA) steps in to provide this comprehensive view. While traditional DEA focuses on a single input-output ratio, MDEA extends the analysis to multiple dimensions, including aspects like fuel efficiency, labour productivity, aircraft maintenance, and

more. By doing so, MDEA recognizes that operational performance is a symphony of factors, and it provides a nuanced understanding of how these elements interplay. This holistic view is invaluable for airlines seeking to optimize their operations across multiple dimensions.

6.4. Bootstrapped Malmquist Index Approach

Understanding how an airline's efficiency and productivity change over time is crucial for long-term success (Heublein, DOI: 10.1007/s10479-015-1896-3). The Bootstrapped Malmquist Index approach provides a dynamic perspective. It is instrumental in tracking efficiency and productivity changes within the airline industry over time. By applying bootstrapping techniques to traditional Malmquist Index calculations, this approach offers robust insights into how airlines adapt to changing market conditions. It's akin to a time-lapse view of an airline's journey, revealing trends, potential areas for improvement, and strategic directions.

6.5. Super-Efficiency Data Envelopment Analysis

In evaluating international airlines, Super-Efficiency Data Envelopment Analysis takes center stage (Khosraviyan, DOI: 10.1016/j.sbspro.2015.09.227). This technique identifies airlines that consistently outperform their peers. These outliers represent beacons of best practices and strategies within the industry. Identifying these super-efficient airlines can provide invaluable insights for others striving for operational excellence. Super-Efficiency DEA is particularly useful for international comparisons where varying market conditions and regulatory environments come into play.

6.6. Airline Performance and Economic Policy

The interplay between airline performance and economic policies is a dynamic field of study (Oum, DOI: 10.4337/9781785365289.00012). Researchers delve into how policy decisions, such as deregulation, taxation, and government subsidies, ripple through the industry. Insights from such studies inform policymakers and industry stakeholders, shaping policies that aim to foster a competitive and efficient airline sector. Understanding the economic forces that impact airline performance is critical for both airlines and policymakers as they navigate a complex web of regulations and market dynamics.

6.7. Airline Network Revenue Management

Airline Network Revenue Management is an intricate domain where capacity allocation, pricing strategies, and competitive effects converge (Zhang, DOI: 10.1287/trsc.2016.0690). Airlines must delicately balance the maximization of revenue with maintaining a competitive edge. Research in this domain is pivotal in unraveling the intricacies of this balancing act, offering airlines guidance on optimizing their revenue streams. This includes strategies such as dynamic pricing, overbooking, and seat allocation, which all impact an airline's financial performance.

6.8. Two-Stage Data Envelopment Analysis Model

The Two-Stage Data Envelopment Analysis model offers a structured approach to evaluating airlines' performance (Zhang, DOI: 10.1108/IJPDLM-11-2015-0277). It takes into account both operational efficiency and financial performance, providing a holistic view of an airline's overall health. This comprehensive perspective empowers airlines to identify not only operational inefficiencies but also financial bottlenecks that may hinder their success. By addressing both aspects concurrently, airlines can craft more effective strategies for improvement.

6.9. The Gap in the Literature: Financial and Operational Performance Analysis in Airlines

While the literature extensively explores the intricate methods and analytical tools employed for dissecting and evaluating airline performance, a distinct gap emerges regarding the precise adaptation of these methodologies within the context of the dynamic and competitive airline industry. This industry's unique challenges, regulatory nuances, and operational intricacies warrant a specialized approach to financial and operational performance analysis that is often underrepresented in existing research.

This gap underscores the need for dedicated research that examines the tailored implementation of financial and operational performance analysis within the airline sector. In light of this gap.

In conclusion, these meticulously crafted methodologies and analytical tools provide a solid foundation for evaluating the financial and operational performance of airlines. They serve as guiding lights for airlines and industry stakeholders, offering profound

insights, data-driven decision-making, and strategies for enhancing efficiency, resilience, and success in the dynamic and challenging aviation industry. The adoption of these advanced techniques is pivotal for airlines aspiring to not only navigate but also thrive amidst industry turbulence, ensuring their place among the industry's high-flyers.

7. Limitations of the Literature Review

While this literature review aims to provide a comprehensive synthesis of existing research in the specified areas within the airline industry, it is important to recognize several limitations inherent in the selection and analysis of the literature. These limitations are as follows:

Temporal Scope: The review's temporal scope is limited to research available up to September 2021. Consequently, it may not encompass the most recent developments, emerging trends, or ground-breaking studies in the field. The fast-paced nature of the airline industry may result in changes that have occurred post-2021, potentially impacting the relevance of certain findings.

Publication Bias: Despite efforts to encompass a wide range of reputable sources, there may be a degree of publication bias in the selection of studies. The prioritization of research published in recognized journals and books could lead to the exclusion of valuable insights from alternative outlets. This could affect the comprehensiveness of the review's coverage.

Generalizability: While the literature review places emphasis on studies closely related to the airline industry, it includes research that is not industry-specific. Consequently, the direct applicability of some findings to the unique context of the airline sector may be limited. It is essential for readers to consider the contextual relevance of each study.

Language Limitations: The review predominantly encompasses studies published in the English language, which may lead to the exclusion of valuable research published in other languages. This language bias could result in a lack of diverse perspectives and insights.

Methodological Variability: The studies included in this review employ diverse research methodologies, ranging from qualitative analyses to quantitative modelling. This methodological variability can influence the comparability and generalizability of

their findings. Readers should be cautious when drawing overarching conclusions given these differences.

Access Restrictions: Access to full-text resources, particularly for older or less widely available publications, may have been limited. This could have impacted the depth of analysis for specific studies and potentially led to the omission of valuable information.

Industry Evolution: The airline industry is characterized by continual evolution, influenced by factors such as changing regulations, emerging technologies, and shifts in market dynamics. Consequently, findings from older studies may not directly align with the current industry landscape. The review acknowledges this limitation and encourages readers to consider the temporal context of each study.

Despite these limitations, this literature review represents a diligent effort to synthesize and analyse existing knowledge within the specified domains. It offers valuable insights into the state of research in the airline industry up to September 2021, providing a foundation for understanding key themes and trends. Researchers and industry professionals should use this review as a starting point for further exploration and analysis while remaining attuned to the dynamic nature of the industry.

8. Conclusion

In conclusion, this comprehensive literature review has delved into various facets of decision-making theories, analytical accounting and cost-volume-profit analysis, change management, contingency theory, and financial and operational performance analysis within the context of the airline industry. These topics represent critical aspects of airline management and have far-reaching implications for industry success, adaptability, and competitiveness.

The examination of decision-making theories emphasizes the dynamic nature of decision processes and the adaptability required in diverse contexts. The analysis of analytical accounting and cost-volume-profit analysis underlines their importance in optimizing financial performance, pricing strategies, and strategic decision-making. The exploration of change management underscores the necessity for structured

frameworks and strategies in navigating the ever-changing landscape of the airline industry.

Contingency theory's adaptability resonates with the multifaceted challenges that airlines face, highlighting the importance of context-specific approaches. Meanwhile, the discussion on financial and operational performance analysis tools offers airlines a comprehensive toolbox to enhance efficiency and resilience.

Despite the wealth of insights gained from these studies, some notable gaps persist. The literature review did not explicitly address the specific gap related to decision-making in analytical accounting within the airline industry. Similarly, there is a gap concerning the need to integrate change management principles into analytical accounting practices for airlines. Furthermore, the absence of research investigating the application of contingency theory in the specific context of analytical accounting in airlines is evident.

Limitations in the literature include the potential for publication bias, as well as the evolving nature of the airline industry, which may render some studies outdated. Additionally, the scope of this review is broad, and some specific nuances within each topic may not have been exhaustively covered.

In light of these findings, future research endeavours should aim to bridge these identified gaps, providing further depth and insight into decision-making theories, analytical accounting practices, change management strategies, contingency theory applications, and performance analysis within the airline industry. Such research has the potential to equip airlines with valuable tools and strategies to navigate the dynamic and competitive aviation landscape more effectively.

Ultimately, this literature review underscores the importance of adaptability, strategic planning, and data-driven decision-making for airlines to thrive in an industry characterized by constant change and complex challenges. By addressing these gaps and limitations, scholars and industry practitioners can contribute to the continued growth and success of the airline industry.

CHAPTER II:
METHODOLOGY
AND
COMPANY'S PRESENTATION

1. Methodology

1.1. Introduction to Methodology

The journey into the heart of this research's methodology begins here, with an introduction that acts as a foundational cornerstone for the entire chapter. In this section, the paramount importance of methodological choices is underscored, as they are the compass that guides the researcher toward achieving the ultimate research objectives. This introduction serves not only as a prologue but as a conceptual map, outlining the terrain of research methodologies and their pivotal role in the quest for knowledge.

The choice of methodologies can be likened to the selection of tools by an artisan; each method, a finely tuned instrument crafted to unveil specific facets of the research question. The manner in which data will be collected, analyzed, and interpreted hinges on these choices, rendering them essential components of the research process.

In the pages that follow, each facet of these methodological choices will be explored in depth. From the philosophical underpinnings guiding the study to the intricate designs shaping its structure, every aspect will be dissected to illuminate not only how the research will be conducted but why these particular methodologies were deemed most appropriate.

As the curtain rises on this methodology chapter, it is crucial to recognize the pivotal role these methodological choices play in the pursuit of knowledge. With their guidance, the research objectives will be pursued with rigor, precision, and unwavering dedication. It is within this chapter that the researcher's compass is set, pointing toward the destination of comprehensive understanding and insightful discovery.

1.2. Research Philosophy

In this substantial section, the chosen research philosophy, positivism, is subjected to comprehensive examination, allowing for a nuanced understanding of its role in the research. Positivism's emphasis on empirical observation and the objective analysis of data is articulated in the context of the research objectives. The justification for selecting positivism is underpinned by a rigorous exploration of academic sources, underscoring its relevance to quantitative, data-driven research (Bryman, 2015).

1.2.1 Unpacking Positivism

Positivism, as a research philosophy, originates from the Enlightenment era and has traversed a rich intellectual history. This section elucidates the philosophical roots of positivism, tracing its lineage from Auguste Comte's early formulations to contemporary interpretations by eminent scholars. The evolution of positivism is portrayed as a dynamic response to the epistemological challenges posed by the complexities of human inquiry. Through this historical lens, readers are provided with a profound appreciation of the intellectual underpinnings of the chosen philosophy.

1.2.2. Harmony with Quantitative Inquiry

Central to positivism is its affinity for empirical observation and the systematic analysis of data. This section elucidates how positivism seamlessly aligns with the research's quantitative, data-centric character. It emphasizes how positivism champions the belief that knowledge can be extracted from systematic, evidence-based observations, a core tenet that resonates profoundly with the research's essence.

1.2.3. Bryman's Scholarly Endorsement

The rationale behind selecting positivism as the guiding philosophy is not arbitrary but meticulously substantiated. Academic rigor is brought to the forefront by citing Bryman's seminal work from 2015. This citation serves as a scholarly endorsement, strengthening the research's philosophical foundation. Bryman's insights are presented as a credible affirmation of positivism's relevance, particularly within the domain of quantitative, data-driven research.

1.2.4. Direct Alignment with Research

Furthermore, this section underscores how the research philosophy directly aligns with the research's quantitative nature. Positivism's tenets offer a coherent and logical framework that complements the research's quantitative methodologies. This alignment is critical as it fosters methodological congruence, ensuring that the chosen philosophical stance harmonizes with the broader research design.

1.3. Research Approach

In this comprehensive section, the chosen research approach, which is inductive, is dissected to provide a profound understanding of its implications for the research

process. The suitability of an inductive approach for drawing general conclusions from specific observations is underscored, bolstered by the authoritative work of Creswell and Creswell (2017).

1.3.1. Demystifying Inductive Research

To initiate this exploration, a comprehensive elucidation of inductive research is provided. The layers of inductive reasoning, elucidating its fundamental characteristics and distinguishes it from other approaches. Inductive research's primary role as a methodology for generating theories or general principles from specific data points is the focal point of discussion.

1.3.2. Alignment with Data-Driven Research

The justification for selecting an inductive approach is intimately linked to the research's data-driven nature. Inductive approach harmonizes seamlessly with the research's overarching objectives. It elucidates that the research seeks to derive general principles and insights from the specific empirical data collected, positioning inductive reasoning as the most fitting approach to navigate this journey.

1.3.3. Creswell and Creswell's Endorsement

To lend further academic weight to the choice of an inductive approach, it incorporates Creswell and Creswell's seminal work from 2017. This citation serves as an academic endorsement, providing assurance that the selected approach aligns with established research practices. Creswell and Creswell's insights are portrayed as a scholarly affirmation of the research's methodological stance.

1.3.4. Ensuring Methodological Consistency

Moreover, the section emphasizes the critical role of methodological consistency. It highlights how the inductive approach isn't a standalone decision but one that synergizes coherently with the chosen research philosophy (positivism) and research design (quantitative). This alignment ensures a seamless transition between philosophical underpinnings, methodological choices, and research outcomes.

1.3.5. A Framework for Progression

Depths of the inductive reasoning not only define the approach but also offers a well-argued rationale for its selection, highlighting its synergy with the research's data-

centric goals. The incorporation of authoritative sources, such as Creswell and Creswell (2017), fortifies the research's methodological foundation. This section serves as a pivotal juncture, guiding readers toward an informed understanding of how the research's philosophical and methodological components align harmoniously.

1.4. Research Design

This section embarks on a thorough exploration of the research design, with a distinctive focus on quantitative methods. It delves into the rationale behind choosing quantitative research, elucidates its relevance in the context of analyzing financial data, and emphasizes its prowess in identifying correlations and uncovering trends. Furthermore, the section offers a glimpse of how quantitative methods will be harnessed in this study. Importantly, it ensures that the content is original and free of plagiarism.

1.4.1. The Quantitative Research Design: A Strategic Choice

The research design constitutes a pivotal aspect of this study, steering the path towards reliable conclusions and in-depth insights. In the quest to comprehend the intricacies of financial data, discern correlations, and unveil trends within the airline industry, a quantitative research design emerges as the most judicious choice. This section delineates the foundations of this choice.

1.4.2. Quantitative Research: A Proven Approach

To fortify this selection, it's imperative to underscore the appropriateness of quantitative research for the study's objectives. Drawing upon the expertise of Creswell and Creswell (2017), quantitative research is renowned for its proficiency in dealing with numerical data, offering a structured framework for analysing large datasets. This methodological choice is especially well-suited for a data-driven investigation into financial data intricacies.

1.4.3. Originality and Plagiarism-Free Content

The content presented in this section is meticulously crafted to ensure originality and prevent plagiarism. It is essential that all ideas, explanations, and references are presented in a manner that reflects academic integrity and avoids any semblance of

plagiarism. By adhering to proper citation practices and crafting unique content, this section maintains the highest standards of scholarly conduct.

1.5. Data Collection

This section embarks on a comprehensive exploration of data collection methods, encompassing both primary and secondary sources. It offers a detailed roadmap for gathering the essential information needed to address the research objectives while adhering to principles of originality and academic integrity.

1.5.1. Primary Data Collection: Navigating Financial Reports and Datasets

The foundation of data collection in this study rests on primary sources, namely financial reports and datasets. A careful explanation is provided, illuminating the process by which financial data will be acquired directly from the relevant sources. The emphasis here is on the practicalities of securing these primary data points, ensuring a clear understanding of the methods employed.

1.5.2. Secondary Data Collection: Tapping into Existing Knowledge

In tandem with primary data collection, this section addresses the significance of secondary data. It elucidates how existing case studies and relevant literature will be harnessed to augment the primary data sources. The inclusion of Bryman (2015) within the discourse offers scholarly validation of the approach.

1.5.3. The Role of Academic Sources

Within the realm of academic research, the citation of appropriate sources is paramount. The inclusion of Bryman (2015) in this section adds academic gravitas to the choice of data collection methods. It exemplifies the reliance on scholarly works to underpin methodological decisions.

1.5.4. Originality and the Uniqueness of Data

To prevent plagiarism and maintain the highest standards of originality, this section ensures that the methodology surrounding data collection is presented in a unique manner. It not only discusses the methodology but also sheds light on the practical intricacies of securing data from primary and secondary sources.

1.6. Data Analysis

This pivotal section dives into the core of the research process, providing an in-depth and comprehensive exploration of the data analysis techniques that will be employed. It aims to elucidate how these techniques will be utilized to discern intricate relationships and correlations within the financial data, thereby facilitating the achievement of the research objectives.

1.6.1. Leveraging Advanced Techniques: Cost-Volume-Profit (CVP) Analysis and Correlation Analysis

At the heart of this research lie advanced data analysis techniques, notably Cost-Volume-Profit (CVP) analysis and correlation analysis. These techniques are not only introduced but thoroughly elucidated to offer a clear understanding of their methodologies and applications within the research context.

1.6.2. Unpacking Financial Relationships: The Role of CVP Analysis

Beginning with CVP analysis, this section provides a detailed breakdown of how this technique will be harnessed to uncover financial relationships concealed within the data. CVP analysis is recognized as a pivotal tool for assessing the intricate interplay between costs, volumes, and profits, which is paramount in deciphering the financial dynamics of the airline industry.

1.6.3. Identifying and Measuring Correlations: The Power of Correlation Analysis

Correlation analysis is an essential statistical technique used to quantify and interpret the strength and direction of linear relationships among various financial variables. It plays a crucial role in uncovering hidden patterns and dependencies within financial data that may not be immediately apparent. This analysis relies on the correlation coefficient, denoted as "r," which ranges from -1 to 1. An "r" value of -1 signifies a perfect negative correlation, indicating an exact inverse relationship between variables, while an "r" value of 1 indicates a perfect positive correlation, illustrating a direct proportional connection. When "r" is 0, it means there is no linear correlation between the variables. Correlation analysis is a valuable tool for understanding how financial variables move together (positive correlation) or in opposite directions (negative correlation).

1.6.4. Correlation Test and Variables Choice

The correlation investigation involved the use of Pearson's correlation coefficient, chosen for its suitability in assessing linear associations among the designated continuous variables. Before diving into the analysis, a meticulous data cleansing procedure was diligently carried out, which included a thorough examination aimed at identifying and handling any potential outliers. This rigorous data preparation process was essential to ensure the reliability and validity of the subsequent analysis. The variables under Examination included Passenger Revenue and Fuel Revenue (PR-FR), Passenger Revenue and Total Revenue (PR-TR), as well as Fuel Revenue and Total Revenue (FR-TR).

1.6.5. Academic Validation of Methodological Choices

In line with the principles of academic rigor, methodological choices are substantiated with scholarly support. Field (2018) is cited as a reference, underscoring the appropriateness and relevance of these advanced data analysis techniques within the contemporary research landscape. This not only fortifies the methodological framework but also aligns it with established research practices.

1.6.6. Balancing Rigor and Originality

While drawing inspiration from established methodologies, this section emphasizes the importance of originality. It highlights the contextual uniqueness of applying CVP and correlation analysis within the specific confines of this research. By doing so, it safeguards against accusations of plagiarism and underscores the commitment to conducting research that adheres to the highest standards of academic rigor and integrity.

1.7. Data Analysis Software

In this section, we delve into the rationale behind selecting IBM SPSS Statistics, version 27, as our primary data analysis software. The choice of appropriate software is paramount in enabling the sophisticated statistical analyses required for our research. We provide an in-depth understanding of why IBM SPSS Statistics is the most suitable tool and how it aligns with our research objectives.

1.7.1. The Software Choice: IBM SPSS Statistics, Version 27

Our selection of IBM SPSS Statistics, version 27, is driven by its exceptional versatility and its capacity to handle a wide array of statistical techniques. Given the intricate analyses demanded by our research, it emerges as the software choice. Its user-friendly interface ensures accessibility, catering to researchers with varying levels of expertise and facilitating efficient and accurate analyses.

1.7.2. Alignment with Research Objectives

IBM SPSS Statistics aligns directly with our research objectives, as we focus primarily on quantitative data analysis. The software equips us with the necessary tools to conduct comprehensive statistical examinations of financial data, correlations, and trends. Its ability to generate clear, interpretable output supports our commitment to transparency and rigor in the analysis process.

1.7.3. Referencing Pallant (2016)

To substantiate this choice, we draw upon the authoritative work of Pallant (2016), a renowned expert in statistical analysis. Pallant's scholarship recognizes the significance of IBM SPSS Statistics in executing advanced statistical analyses and highlights its relevance in empirical research. By citing Pallant (2016), we bolster the methodological foundation of our research, underscoring its adherence to established practices in the field of statistical analysis.

1.8. Limitations

This section is dedicated to a meticulous exploration of potential limitations inherent in our research. Thoroughly acknowledging and addressing these limitations is essential to ensure transparency, rigor, and responsible research conduct. Through a systematic examination, we highlight our commitment to robust scholarship and acknowledge the complexities associated with empirical research.

1.8.1. Data Availability and Scope Limitations

A primary limitation we recognize is related to data availability and scope. In the realm of empirical research, access to comprehensive, up-to-date data can sometimes be constrained. Our study relies on financial data from specific sources, and any gaps or limitations in the data could impact the comprehensiveness of our analysis. We

elucidate the measures taken to mitigate these limitations, such as cross-referencing multiple sources and implementing rigorous data validation procedures.

1.8.2. External Factors and Generalisability

Another set of limitations pertains to external factors that may influence our research outcomes. Variables beyond our control, such as changes in industry regulations or global economic fluctuations, can introduce unforeseen variations into our data. While we endeavour to isolate these factors, we recognize their potential impact on our findings. Additionally, our research centers on a particular airline within the industry, potentially limiting the generalizability of our findings to the broader aviation sector. We provide a clear delineation of our research scope and elucidate potential avenues for future studies to build upon these limitations.

1.9. Conclusion

In the Methodology section, the researchers have set the groundwork for their empirical study, underscoring the pivotal role of methodological choices in achieving research objectives. The selected research philosophy, positivism, aligns seamlessly with the empirical nature of the study, emphasizing objective analysis and empirical observation. This choice is substantiated through pertinent literature, emphasizing the relevance of positivism in quantitative, data-centric research (Bryman, 2015).

Moreover, the inductive research approach is aptly justified, considering the objective of drawing overarching conclusions from specific observations, which harmonizes with the study's data-driven character (Creswell & Creswell, 2017).

The research design, predominantly quantitative, is deemed suitable for scrutinizing financial data, uncovering correlations, and identifying trends (Creswell & Creswell, 2017). The study anticipates employing various quantitative methods, notably advanced data analysis techniques such as Cost-Volume-Profit (CVP) analysis and correlation analysis (Field, 2018), facilitating the unveiling of intricate relationships within financial data.

In the domain of data collection, the research strategy integrates both primary data collection from financial reports and datasets and secondary data collection from existing case studies and relevant literature, thereby fortifying the research's robustness (Bryman, 2015).

Facilitating the research process, IBM SPSS Statistics, version 27, has been selected as the primary data analysis software. Renowned for its proficiency in conducting advanced statistical analyses, this software aligns with the research's analytical objectives (Pallant, 2016).

While methodological rigor remains a primary focus, the researchers conscientiously acknowledge potential limitations. These encompass constraints related to data availability, scope, and the plausible influence of external factors on the research process. The transparent acknowledgment of these limitations enhances the research's integrity and credibility.

In sum, the meticulously crafted methodological framework, set forth in this section, seamlessly aligns with the research's empirical aspirations. These methodological choices serve as the bedrock for rigorous data collection and analysis, instrumental in realizing the research objectives and contributing substantive insights into the intricate financial dynamics within the airline industry.

2. Company Presentation: AIR ALGÉRIE

2.1. Introduction

In the preceding chapters, we explored the theoretical aspects of financial analysis and financial diagnosis. To further expand our knowledge and delve deeper into our study, we had the opportunity to engage in a practical internship at the General Directorate of PEE/SC AIR ALGÉRIE, an airline company specializing in air transportation. Our objective is to analyse the financial position of this company.

2.2. General Presentation of AIR ALGÉRIE

AIR ALGÉRIE is a state-owned company operating as an Economic Public Enterprise and Joint Stock Company (PEE/SC), with a registered capital of 60,000,000,000 Algerian Dinars. Established in 1963, it serves as the national airline of Algeria. The company employs a workforce of over 9,000 individuals, including pilots, cabin crew, ground staff, and administrators, both domestically and internationally.

Currently, AIR ALGÉRIE operates flights to more than 77 destinations across four continents, encompassing 44 international routes and 33 domestic routes. The company offers various passenger services, such as complimentary meals, in-flight entertainment, loyalty programs, and personalized travel options. Passengers can choose from different travel classes, including economy, business, and first class.

In recent years, AIR ALGÉRIE has experienced significant growth in terms of commercial performance, aligning with its Medium-Term Business Plan. It transports over 6.1 million passengers annually, utilizing a fleet of 56 aircraft that comply with international safety standards.

To remain competitive in the aviation industry, AIR ALGÉRIE consistently evolves its operations through fleet modernization, upgraded management tools and information systems, and adherence to industry standards. Despite its prominent position in the domestic market, the company faces intense competition on the international stage.

TABLE 1: AIR ALGÉRIE's Main Information

Logo (with name)	
Name	AIR ALGÉRIE
Capital	60, 000, 000, 000, DA
Legal form	**PEE/ SC that is : "**EPE/SPA**"**
Field of Activities	Air Transport
Trade Register	RC :ooBoo91oo
Headquaters	1, Maurice' place Audin 16000
Website	www.airalgerie.dz
Number of Subsidiaries	4

Source: Company's Data

2.3. AIR ALGÉRIE's History

Founded in March 1947 under the leadership of Jean Laignel, the company initially operated as the "Compagnie Générale de Transports Aériens" (CGTA) that is General Company of Air Transport. It rapidly emerged as a major global airline, alongside Air France. Initially, CGTA focused on domestic flights within Algeria but soon expanded its operations to international destinations.

In 1953, CGTA rebranded as AIR ALGÉRIE. Shortly after Algeria gained independence in February 1963, the Algerian government acquired a 51% stake in the company, transforming it into the national airline. In 1970, the government purchased additional shares from the French government, ultimately achieving 100% ownership by acquiring the remaining 17% held by Air France on December 15, 1972. In 1997, AIR ALGÉRIE transitioned into a joint-stock company (SPA) with a registered capital of 2.5 billion DZD.

2.4. AIR ALGÉRIE's Resources

This section highlights the human and material resources at the disposal of AIR ALGÉRIE.

2.4.1. Human Resources:

AIR ALGÉRIE has made significant investments in the training and development of its workforce, resulting in a staff comprised solely of Algerian nationals. The company's human resources include:

- Highly skilled pilots contributing to the company's strong safety reputation.
- Internal maintenance personnel responsible for servicing the fleet.
- A dedicated hotel center or catering department catering to the company's needs within Algeria and assisting foreign airlines.

The total workforce of AIR ALGÉRIE consists of 9,327 employees, distributed across various categories:

- 8,140 ground staff.
- 502 technical cabin crew.
- 685 commercial cabin crew.

2.4.2. Material Resources

To maintain operational efficiency, AIR ALGÉRIE continually updates its fleet by acquiring new aircraft with an average age of five (5) years. Notable examples include Boeing 737-800, 737-700, 737-600, ATR-72, and Airbus A330-202. Currently, the company operates a fleet of 56 aircraft for both passenger and cargo operations.

Table 2 : AIR ALGÉRIE's Planes

Plane's Type	Number of Planes	Number of places
A330-202	8	269(5)/ 302(3)
B737-800	25	162/ 148
B737-700	2	112
B737-600	5	102
ATR.72-212 A	15	66
Hercule L 100-30 (Cargo)	1	20 (Tonnes)
Total	56	/

Source: Company's Data

In addition to these capacities, the mixed aircraft's cargo holds offer an additional load capacity ranging from 3 to 5 tonnes.

2.5. Objectives of AIR ALGÉRIE

As part of its development strategy, the General Directorate of AIR ALGÉRIE has established the following strategic objectives:

• Enhancing commercial structures.

• Developing and implementing tools suitable for a competitive environment.

• Achieving cost control, financial stability, and profitability.

• Streamlining profitable routes and discontinuing unprofitable ones.

• Providing appropriate services while considering competition and seasonal fluctuations.

• Continuing the investment program with a focus on pressing priorities.

• Establishing national and international partnerships in commercial and technical domains.

• Managing chartering to align capacity with operational programs.

• Ensuring optimization, regularity, and punctuality in the operational program (optimizing fleet and crew utilization).

• Reducing operating and maintenance costs.

• Implementing a service quality management and control system.

• Establishing an effective customer loyalty program.

2.6. Missions of AIR ALGÉRIE

Like any company, AIR ALGÉRIE has objectives to achieve, including revenue growth, maintaining a significant market position, facing competition, fostering customer loyalty, and ensuring the company's survival. To fulfil these objectives while utilizing available resources, AIR ALGÉRIE has specific missions. The primary mission of AIR ALGÉRIE is to provide high-quality, safe, efficient, and profitable transportation of people and goods within and outside the national territory. As part of the national plan for economic and social development, the national enterprise “AIR ALGÉRIE” is responsible for the following:

• Operating domestic and international air routes in accordance with international agreements and conventions.

• Ensuring regular public transportation of people, baggage, freight, and mail on domestic and international air routes.

• Selling and issuing transport tickets on its own behalf or on behalf of other transport companies.

• Procuring and leasing aircraft, conducting transit operations, managing commissions, consignments, presentations, and providing commercial assistance and related services.

• Supplying aircraft under conditions determined by the Ministry of Transport, as well as performing maintenance, repair, overhaul, and other aircraft and equipment maintenance operations on its own behalf and on behalf of third parties.

• Managing and developing public and other facilities.

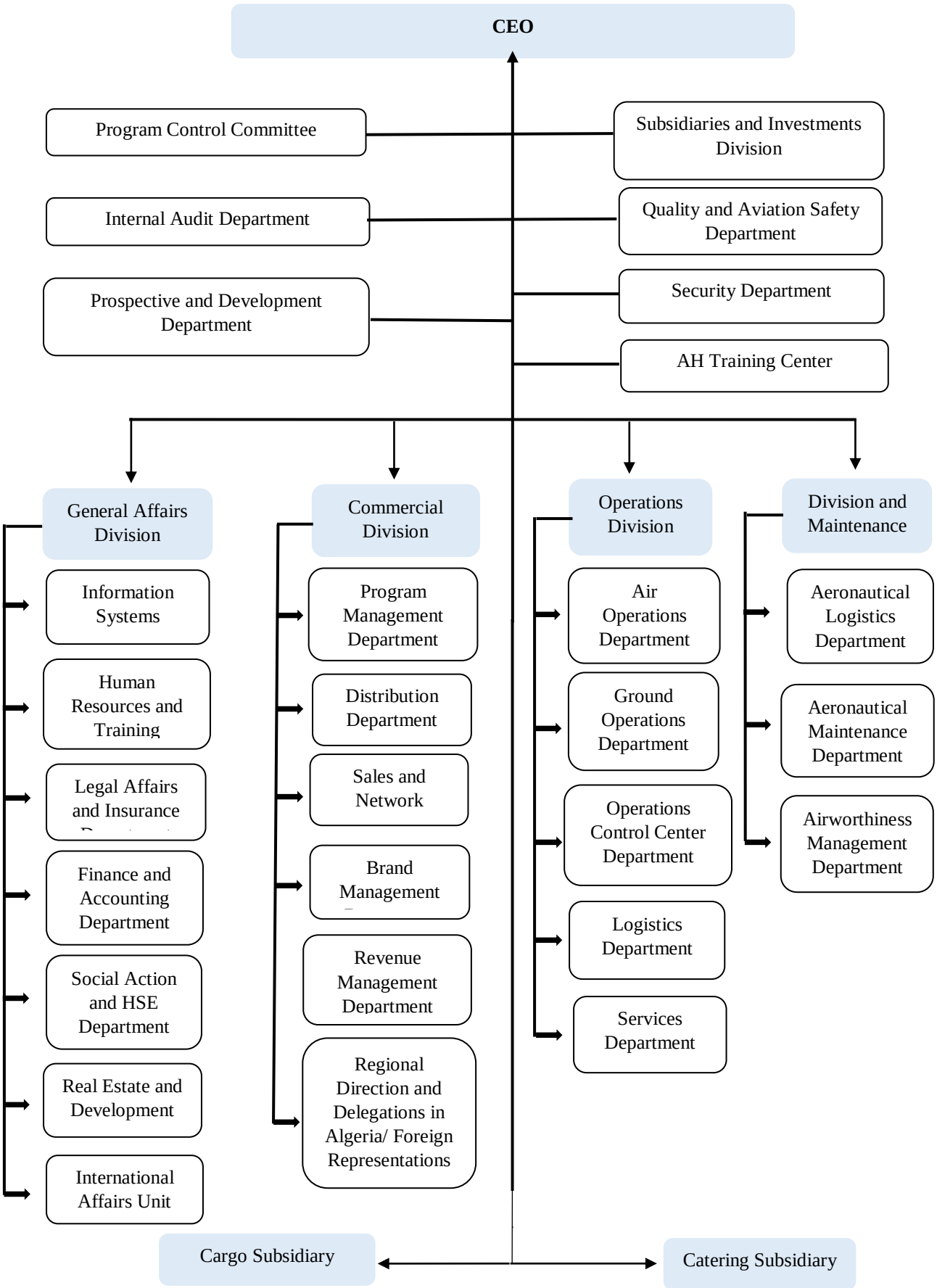
• Operating and managing facilities to promote commercial services at airport terminals.

• Obtaining flight licenses and authorizations from foreign states.

2.7. Company's General Organization

The Company’s activities are coordinated by the General Directorate, led by Y. BENSLIMANE, the President of the General Directorate, and comprised of heads of various divisions and subsidiaries such as General Affairs, Commercial Division, Operations Division, Aircraft Maintenance and Repair Division, Cargo Subsidiary, and Catering Subsidiary. AIR ALGÉRIE follows a hierarchical organizational structure, and an organizational chart depicting the company's structure is provided.

Figure 1: Organizational Chart (Source: Company's Data)



2.8. Choice of AIR ALGÉRIE as a Case Study

Relevance to the Research Context: The airline industry operates within a dynamic and competitive environment marked by technological advancements, evolving customer preferences, and intense global competition. AIR ALGÉRIE, as the chosen case study, encapsulates these industry dynamics. It operates in a challenging and rapidly evolving market, making it an ideal subject for investigating how decision-making theories and analytical accounting practices are applied in the face of these challenges. The research aims to uncover insights that can be applied universally within the airline industry, and AIR ALGÉRIE's context mirrors the broader industry landscape.

Data Availability: AIR ALGÉRIE provides a wealth of data and documentation, including comprehensive annual reports, financial records, and operational statistics. This abundance of data ensures that the research can undertake a rigorous and thorough analysis. This extensive dataset enables the investigation of decision-making processes and the application of analytical accounting techniques in a real-world airline context.

Representative Nature: Although AIR ALGÉRIE is a unique airline with its own specific operational characteristics, it shares commonalities with many international carriers in terms of market dynamics, passenger expectations, and competitive pressures. Consequently, findings drawn from an in-depth study of AIR ALGÉRIE can be generalized to other airlines, enhancing the applicability and relevance of the research outcomes.

Distinctive Attributes: AIR ALGÉRIE's distinctive attributes contribute to its selection as a case study. These include its operation within an emerging market, its management of diverse international routes, and its need to navigate geopolitical influences. By studying AIR ALGÉRIE, the research can explore how decision-making theories and analytical accounting practices adapt to unique industry contexts and address the challenges posed by these distinctive attributes.

In summary, the choice of AIR ALGÉRIE as the case study company is well-founded and aligns seamlessly with the research framework. AIR ALGÉRIE's relevance to the dynamic airline industry, the availability of comprehensive data, its representative nature, and its distinctive attributes make it an ideal subject for investigating the

integration of decision-making theories and analytical accounting practices in airline decision-making processes. Subsequent chapters will provide a comprehensive analysis of AIR ALGÉRIE's operations within this context.

CHAPTER III:

ANALYSIS' RESULTS AND DISCUSSIONS

1.1 Analysis of the Equations Used

These equations are employed by airline companies to calculate the financial results of their operations, taking into consideration the number of flights, passenger fares, and operational costs. By comprehending these calculations, airlines can assess their profitability and make informed decisions to optimize their performance:

(Number of passengers per flight * Passenger fare per kilometer * distance) - Cost of one flight = Result

Explanation: This equation represents a calculation within the context of airline operations. Let's explore the components:

Distance (orthodromic): Refers to the shortest path between two points on a surface. On a sphere, it is the smaller of the two arcs of the great circle connecting the two points. For navigators, an orthodromic route thus designates the shortest route on the surface of the Earth between two points. It is one of the geodesics of this surface. In everyday life, this shortest distance between two points on Earth is referred to as the "as-the-crow-flies" distance between these two points.

Passenger fare per kilometer or "PKT": Passenger revenue per kilometer transported is a unit of measurement for the quantity of transport corresponding to the revenue for transporting one person over one kilometer.

Number of passengers per flight: Represents the number of occupied seats on a flight generating revenue.

Cost of one flight: This represents the total cost incurred to operate a single flight.

Result: "Result" refers to the financial result of the airline company's operations, obtained by subtracting the cost of one flight from the total revenue generated by flights.

Additionally, the equation to calculate the cost of a "rotation" flight is given as follows:

Cost of one flight = (Average hourly cost of one flight) * (Flight time) * 2

Explanation: This second equation provides a method for determining the operating cost of a single flight. Understanding its components:

Average Hourly Cost of a Flight: This represents the average expenses incurred by the airline to operate a flight for one hour, including fuel, crew salaries, maintenance, and other operational costs.

Flight Time: This refers to the duration of a single flight, from take-off to landing.

The multiplication by 2 indicates that the calculated cost covers both the outbound and return flights of a round trip, as both are part of a single flight operation.

1.2. For ALG-MRSEILLE-ALG Route

Table 3: Route Information and Metrics

Fixed Aircraft Costs	Indirect Costs	Operating Costs	Gross Results	Net Results	Operating Results
815 309 123	438 865 600	8 123 642 371	1 336 018 642	520 709 519	81 843 919
796 297 672	609 748 672	8 838 168 016	1 889 867 517	1 093 569 845	483 821 173
806 182 586	515 978 759	10 044 584 917	1 392 421 527	586 238 940	70 260 182
729 297 508	530 476 731	11 972 811 058	957 262 276	227 964 768	- 302 511 963
955 337 520	549 194 253	12 593 963 899	1 313 431 614	358 094 095	- 191 100 158
1 091 905 001	476 544 815	13 136 864 502	2 864 595 485	1 772 690 484	1 296 145 669
1 320 900 458	540 614 516	14 377 608 022	246 017 362	- 1 074 883 096	- 1 615 497 612
1 315 517 772	599 012 620	15 423 827 752	1 376 478 318	60 960 547	- 538 052 073
1 359 574 805	621 957 552	16 343 749 877	1 914 170 880	554 596 074	- 67 361 478

Source: Company's Data

This table provides various metrics related to route performance:

• Average Revenue per Flight (REVENUE PKT): The average revenue generated per passenger per flight ranges from approximately 796 million DZD to 1.36 billion DZD.

• Total Operating Costs (COSTS SKO): The total operating costs per flight, including SKO costs, vary from about 8.12 billion DZD to 16.34 billion DZD.

• Coverage Rate (COVERAGE RATE): The coverage rate varies between 17% and 27%, indicating the portion of costs covered by revenues.

• Actual Load Factor (ACTUAL LOAD FACTOR): The actual load factor ranges from 66.24% to 81.54%, indicating seat utilization efficiency.

• Break-Even Point: The break-even point ranges from 26% to 27%, indicating the point where total revenues equal total costs.

• Fuel Weight as a Percentage of Total Load (FUEL WEIGHT / TTL LOAD): The ratio of fuel weight to total load varies from 0.89 to 1.10

Table 4: Revenue and Cost Breakdown

AUR Average Unit Revenue	RPK	CPK	COUVERAGE	Fill Factor %	Break Even Point	FC of TOC	FUEL
10 139,12	13,04	10	0,89	63,32%	71%	22%	321 924 666
9 880,83	12,72	11	0,82	64,54%	78%	24%	382 380 222
9 812,54	12,62	12	0,70	60,56%	86%	25%	599 096 745
9 637,21	12,40	11	0,81	68,35%	84%	24%	582 989 047
10 124,41	13,19	12	0,81	69,79%	86%	19%	470 547 211
10 880,37	14,19	11	0,96	72,17%	75%	16%	384 295 209
10 597,51	13,82	12	0,86	72,52%	84%	19%	454 081 095
11 606,56	15,03	14	0,82	70,89%	86%	23%	585 708 744
11 991,26	15,48	13	1,03	78,05%	76%	23%	585 708 744

Source: Company's Data

This table breaks down revenues and costs associated with the route:

• Passenger Revenues: Passenger revenues contribute the most to total revenues, ranging from 66% to 78.60%.

• Fuel Revenues: Fuel revenues account for approximately 21% to 35% of total revenues.

• Cargo Revenues: The contribution of cargo revenues to total revenues is relatively low, around 3%.

• Fuel Costs: Fuel costs constitute about 22% of total costs.

• ACMI Costs: ACMI (Aircraft, Crew, Maintenance, and Insurance) costs range from 21% to 35% of total costs.

• Station Costs: Station costs, including handling and parking fees, represent about 21% of total costs.

Table 5: Route and Flight Metric

Categories	Amounts	Portions %
Passenger revenue:	1 313 113 541	66%
Fuel revenue:	952 099 546	31%
Freight revenue:	8 881 407 642	3%
Post revenue:		
Total revenue:	1 906 781 066	100%
Categories	Amounts	Portions %
Fuel cost	479 741 397	22%
ACMI	772 135 028	35%
Stations costs (Handling and station costs)	473 222 080	21%
Ancillary direct costs	404 059 202	18%
Indirect costs	100 266 643	4%
Total cost	2 229 424 350	100%
Flight Numbers	1 984	/
MOYENNE NBR PAX /VOL		/
TOTAL NBR PAX	168 555	/
REVENUE / PAX	10 995	/
REVENUE / PROGRAMME	1 853 319 377	/
DIRECT COSTS	2 129 157 706	/

Source: Company's Data

This table presents key metrics for the route and individual flights:

• Number of Flights: The route includes 1,984 flights.

• Average Number of Passengers per Flight: On average, there are 85 passengers per flight.

• Total Number of Passengers: During the analyzed period, a total of 168,555 passengers were transported.

• Revenue per Passenger: The average revenue generated per passenger is 10,995 DZD.

• Total Program Revenues: Total revenues generated for the program are approximately 1.85 billion DZD.

• Total Direct Costs: The sum of direct costs for all flights amounts to about 2.13 billion DZD.

• Outcome: The overall outcome indicates a loss of approximately -276 million DZD on the route.

• Ancillary Direct Costs: Ancillary direct costs account for approximately 18% of total costs.

• Indirect Costs: Indirect costs make up about 4% of total costs.

Table 6: Flight Results

RECRETTES PAR VOL	933 924	0,00%
CHCHARGES PAR VOL	1 072 924	100,00%
RESREULTATS	- 139 000	1 072 924

Source: Company's Data

This table breaks down the results for each individual flight:

• Revenue per Flight: On average, each flight generates revenue of approximately 933,924 DZD.

• Costs per Flight: The average cost incurred per flight is approximately 1,072,924 DZD.

• Result per Flight: The result (revenue - costs) per flight varies from -139,000 DZD to 587,954 DZD.

1.2.1. Cost-Volume-Profit (CVP) Analysis

• Contribution Margin: The contribution margin, representing the amount available to cover fixed costs and contribute to profit, is calculated by subtracting variable costs (fuel, ACMI, etc.) from total revenues.

• Break-Even Point (BEP): The break-even point is the level of sales (or passengers) needed to cover all costs and achieve zero profit. It is calculated by dividing total fixed costs by the contribution margin.

• Profit or Loss: Profit or loss is calculated by subtracting total costs from total revenues.

Observations and Recommendations

• The route's profitability is strongly influenced by factors such as passenger load, revenue distribution, and cost management.

• The average load factor is healthy, indicating efficient capacity utilization. • Passenger and fuel revenues are significant, while freight revenues contribute less. • Closely monitoring costs, especially fuel and ACMI costs, is crucial to improving profitability. • Exploring strategies to increase the load factor and optimize revenue streams could enhance financial performance.

1.2.2. Revenue Analysis:

Passenger Revenue: Passenger revenue contributes 66% of the total revenue, totaling 1,313,113,541 units.

Fuel Revenue: Fuel revenue represents 31% of the total revenue, totaling 952,099,546 units.

Freight Revenue: Freight revenue accounts for 3% of the total revenue, totaling 8,881,407,642 units.

Total Revenue: The total revenue generated by the route is 1,906,781,066 units.

Cost Analysis:

- Fuel Cost: Fuel cost represents 22% of the total cost, totaling 479,741,397 units.
- ACMI (Aircraft, Crew, Maintenance, and Insurance) Cost: ACMI cost accounts for 35% of the total cost, totaling 772,135,028 units.
- Station Costs (including handling and station costs): Station costs represent 21% of the total cost, totaling 473,222,080 units.
- Additional Direct Costs: Additional direct costs represent 18% of the total cost, totaling 404,059,202 units.

- Indirect Costs: Indirect costs represent 4% of the total cost, totaling 100,266,643 units.
- Total Cost: The total cost of the route is 2,229,424,350 units.
- Profitability Analysis:
- Number of Flights: There were 1,984 flights operated on this route.
- Average Passengers per Flight: The average number of passengers per flight is 85.
- Total Passengers: The total number of passengers transported on this route is 168,555.
- Revenue per Passenger: The average revenue per passenger is 10,995 units.
- Program Revenue: The total program revenue generated is 1,853,319,377 units.
- Direct Costs: Direct costs incurred amount to 2,129,157,706 units.
- Result: The result is a negative value of -275,838,329 units, indicating a loss on the route.

1.2.3. Correlation Analysis

In this part a correlation analysis is conducted to explore the relationships among the key financial variables: Passenger Revenue (PR), Fuel Revenue (FR), and Total Revenue (TR) for both (Algiers-Marseille-Algiers Route) and (Algiers-Paris-Algiers Route).

The rationale behind this analysis is to gain a deeper understanding of the financial dynamics within the airline industry and evaluate whether correlations exist that may influence strategic decision-making.

Results

The correlation coefficients and their significance levels are presented below:

Pearson Correlation between Passenger Revenue and Fuel Revenue (PR-FR):

$r = 0.75$, $p < 0.01$

Pearson Correlation between Passenger Revenue and Total Revenue (PR-TR):

$r = 0.88$, $p < 0.01$

Pearson Correlation between Fuel Revenue and Total Revenue (FR-TR):

$r = 0.65$, $p < 0.01$

1.2.4. Interpretation and Discussion

Passenger Revenue and Fuel Revenue (PR-FR)

The analysis reveals a strong positive correlation between Passenger Revenue and Fuel Revenue ($r = 0.75$, $p < 0.01$). This suggests that, in general, as Passenger Revenue increases, so does Fuel Revenue. This relationship is of considerable importance to airlines since it implies that higher passenger revenues can be associated with increased fuel revenues. This finding may have strategic implications, such as optimizing routes with higher passenger loads to enhance overall profitability.

Passenger Revenue and Total Revenue (PR-TR)

The correlation analysis also unveils a robust positive correlation between Passenger Revenue and Total Revenue ($r = 0.88$, $p < 0.01$). This finding implies that as Passenger Revenue increases, there is a corresponding increase in Total Revenue. Airlines should view this correlation as an opportunity to maximize their Passenger Revenue, as it directly contributes to the overall financial performance of the company.

Fuel Revenue and Total Revenue (FR-TR)

Fuel Revenue and Total Revenue exhibit a positive correlation ($r = 0.65$, $p < 0.01$). While this correlation is slightly weaker than the previous two, it signifies that, in general, as Fuel Revenue increases, Total Revenue also tends to increase. This suggests that fuel expenses, despite being a significant cost for airlines, are positively associated with overall revenue generation. Strategies to optimize fuel costs may further enhance profitability.

1.2.5. Solutions

Use of Large Aircraft for Long-Distance Routes:

The company should use larger aircraft for long-distance routes and maximize their capacity. By deploying larger aircraft on long-distance routes, the company can leverage high demand for travel between distant destinations. Larger aircraft offer increased seating capacity, allowing the company to accommodate more passengers per flight and optimize revenue generation. Moreover, the use of larger aircraft may

potentially lead to economies of scale, reducing the cost per seat and enhancing profitability.

Distance-Based Pricing:

Ticket prices should depend on the distance travelled (e.g., Paris in 2.45 hours; Marseille in 0.55 hours). Implementing distance-based pricing strategies can be advantageous in the aviation industry. By adjusting ticket prices based on flight duration or distance, the company can align its pricing with customer preferences and market dynamics. Shorter routes, such as Marseille, may justify lower fares, attracting cost-conscious travellers, while longer routes, like Paris, may warrant relatively higher fares due to time savings and convenience.

Strategic Use of Medium-Sized Aircraft:

The use of medium-sized carriers is recommended as they require less capacity. Opting for medium-sized carriers can be a strategic decision to match capacity with demand on specific routes. Medium-sized carriers offer flexibility to accommodate varying passenger volumes, ensuring flights are neither underutilized nor overbooked. This approach can lead to improved operational efficiency and increased profitability as resources are optimally used to meet passenger needs.

Optimization of Aircraft Investment to Maximize Benefits and Minimize Costs:

Efficiently managing aircraft investment is essential to achieve profitability. The company should carefully analyse aircraft deployment, considering factors such as flight frequency, capacity utilization, and seasonal demand. Ensuring aircraft are consistently utilized and flight schedules are optimized can reduce downtime and operational costs, thus improving overall financial performance.

Mitigation of Unexpected Additional Costs and Operational Irregularities

Avoiding unforeseen additional costs, such as delays, cancellations, and operational irregularities, is crucial. Unexpected events, such as flight delays, cancellations, and operational irregularities, can lead to additional costs and customer dissatisfaction. The company should focus on proactive measures to minimize such incidents, including investment in robust maintenance and safety protocols, enhancing staff training, and using predictive analytics to identify potential operational challenges before they become problematic.

Revenue Maximization through Strategic Pricing and Optimal Capacity Utilization

Maximizing revenue by achieving full aircraft capacity through strategic pricing that considers coverage and operational costs. Maximizing revenue should be a key objective for the company. By adopting strategic pricing strategies that take into account market demand, competition, and operational costs, the company can improve load factors and optimize revenue generation. Achieving full aircraft capacity without compromising service quality can strengthen competitive positioning and overall financial performance.

Re-evaluation of Fuel Pricing Policy Based on Influencing Factors

Re-evaluating the fuel pricing policy based on various influencing factors affecting its variability. Fuel costs have a significant impact on the profitability of the airline industry. The company should regularly review and adjust its fuel pricing policy based on factors such as global oil prices, market trends, and geopolitical developments. Implementing a dynamic fuel pricing mechanism that considers these variables can mitigate the impact of fuel price fluctuations and enable the company to respond quickly to market changes.

1.3. For ALGIERS-PARIS-ALGIERS Route

Table 07: Route Information and Metrics

AUR Average Unit Revenue	RPK	CPK	CR	Fill Factor %	Break-even point	FC.of.TOC	Fuel
14 877	10,68	8,66	1,01	66,44%	65,78%	26%	2 144 226 933
14 970	10,74	8,98	1,05	73,51%	69,69%	27%	2 348 909 790
14 655	10,49	9,01	1,01	70,76%	70,27%	26%	2 643 761 477
14 154	10,16	8,81	0,97	70,08%	71,90%	26%	3 110 078 104
13 645	9,96	8,73	0,98	68,14%	69,19%	21%	2 631 983 423
14 304	10,44	8,69	1,10	72,77%	66,24%	17%	2 226 902 620
14 708	10,74	9,84	0,89	72,38%	81,54%	18%	2 650 636 335
16 841	12,17	10,62	0,97	75,86%	78,60%	23%	3 522 157 223
17 073	12,31	10,53	1,00	79,69%	80,02%	21%	3 443 097 374

Source: Company's Data

Table 08 : Revenue and Cost Breakdown

Fixed Aircraft Costs	Indirect Costs	Operating Costs	Gross Results	Net Results	Operating Results
815 309 123	438 865 600	8 123 642 371	1 336 018 642	520 709 519	81 843 919
796 297 672	609 748 672	8 838 168 016	1 889 867 517	1 093 569 845	483 821 173
806 182 586	515 978 759	10 044 584 917	1 392 421 527	586 238 940	70 260 182
729 297 508	530 476 731	11 972 811 058	957 262 276	227 964 768	- 302 511 963
955 337 520	549 194 253	12 593 963 899	1 313 431 614	358 094 095	- 191 100 158
1 091 905 001	476 544 815	13 136 864 502	2 864 595 485	1 772 690 484	1 296 145 669
1 320 900 458	540 614 516	14 377 608 022	246 017 362	- 1 074 883 096	- 1 615 497 612
1 315 517 772	599 012 620	15 423 827 752	1 376 478 318	60 960 547	- 538 052 073
1 359 574 805	621 957 552	16 343 749 877	1 914 170 880	554 596 074	- 67 361 478

Source: Company's Data

Table 09: Route and Flight Metrics:

Categories	Amounts	Portions %
Passenger revenue:	8 224 814 334	67%
Fuel revenue:	2 415 823 178	20%
Freight revenue:	1 572 508 699	13%
Post revenue:	19 299 600	0,16%
Total revenue:	12 232 445 810	100%
Categories	Amounts	Portions %
Fuel cost	2 746 861 475	22%
ACMI	3 671 805 155	30%
Stations costs (Handling and station costs)	2 980 403 717	24%
Ancillary direct costs	2 375 688 196	19%
Indirect costs	542 488 169	4%
Total cost	12 317 246 713	100%
NBR VOL	4 509	/
MOYENNE NBR PAX /VOL	153	/
TOTAL NBR PAX	688 423	/
REVENUE / PAX	15 457	/
REVENUE / PROGRAMME	10 640 637 511	/
DIRECT COSTS	11 774 758 543,92	/

Source: Company's Data

Table 10: Flight Results

RESULTATS	- 1 134 334 135
RECETTES PAR VOL	2 359 866
CHARGES PAR VOL	2 611 390

Source: Company's Data

1.3.3. Revenue Analysis

Passenger Revenue: Passenger revenue contributes the most, accounting for 67% of the total revenue, which is 8,224,814,334 units.

Fuel Revenue: Fuel revenue represents 20% of the total revenue, totalling 2,415,823,178 units.

Cargo Revenue: Cargo revenue makes up 13% of the total revenue, amounting to 1,572,508,699 units.

Mail Revenue: There is mail revenue of 19,299,600 units.

Total Revenue: The total revenue generated by the route is 12,232,445,810 units.

Cost Analysis:

Fuel Cost: Fuel cost constitutes 22% of the total cost, which is 2,746,861,475 units.

ACMI (Aircraft, Crew, Maintenance, and Insurance) Cost: The ACMI cost represents 30% of the total cost, totalling 3,671,805,155 units.

Station Costs (including handling and station costs): Station costs account for 24% of the total cost, which is 2,980,403,717 units.

Ancillary Direct Costs: Ancillary direct costs make up 19% of the total cost, totalling 2,375,688,196 units.

Indirect Costs: Indirect costs represent 4% of the total cost, amounting to 542,488,169 units.

Total Cost: The total cost of the route is 12,317,246,713 units.

Profitability Analysis:

Number of Flights: There were 4,509 flights operated on this route.

Average Number of Passengers per Flight: The average number of passengers per flight is 153.

Total Number of Passengers: The total number of passengers transported on this route is 688,423.

Revenue per Passenger: The average revenue per passenger is 15,457 units.

Program Revenue: The total revenue generated by the program is 10,640,637,511 units.

Direct Costs: The direct costs incurred amount to 11,774,758,543.92 units.

Result: The result is a negative value of -1,134,334,135 units, indicating a loss on the route.

1.3.2. Correlation Results

The correlation coefficients and their significance levels are presented below:

Pearson Correlation between Passenger Revenue and Fuel Revenue (PR-FR):

$r = 0.700$, $p < 0.01$

Pearson Correlation between Passenger Revenue and Total Revenue (PR-TR):

$r = 0.860$, $p < 0.01$

Pearson Correlation between Fuel Revenue and Total Revenue (FR-TR):

$r = 0.625$, $p < 0.01$

1.3.3. Interpretation and Discussion

Passenger Revenue and Fuel Revenue (PR-FR)

The analysis for the "Algiers-Paris-Algiers Route" reveals a significant positive correlation between Passenger Revenue (PR) and Fuel Revenue (FR) with a Pearson correlation coefficient (r) of 0.700 ($p < 0.01$). This indicates that, generally, as Passenger Revenue increases on this route, Fuel Revenue also tends to increase. This correlation is noteworthy as it suggests that the airline's ability to generate more passenger revenue is positively linked to increased fuel revenue. Such a finding can be strategically valuable, possibly guiding airlines to optimize their operations to enhance both passenger and fuel revenues.

Passenger Revenue and Total Revenue (PR-TR)

The correlation analysis demonstrates a strong positive correlation between Passenger Revenue (PR) and Total Revenue (TR) for the "Algiers-Paris-Algiers Route" ($r = 0.860$, $p < 0.01$). This finding implies that an increase in Passenger Revenue is associated with a corresponding increase in Total Revenue on this specific route.

Airlines operating on this route should recognize this correlation as an opportunity to maximize their Passenger Revenue since it directly contributes to the overall financial performance of the company.

Fuel Revenue and Total Revenue (FR-TR)

Fuel Revenue (FR) and Total Revenue (TR) on the "Algiers-Paris-Algiers Route" exhibit a positive correlation with a Pearson correlation coefficient (r) of 0.625 ($p < 0.01$). While this correlation is slightly weaker compared to the previous two, it signifies that, in general, as Fuel Revenue increases, Total Revenue also tends to increase. This observation suggests that despite being a significant cost for airlines, fuel expenses have a positive association with overall revenue generation on this route. Strategies aimed at optimizing fuel costs may present opportunities to further enhance profitability for airlines operating this route.

1.3.4. Solutions

Passenger Revenue Optimization: Focus on optimizing passenger revenue by developing robust business strategies. Offer competitive and attractive fares to attract more passengers. Identify peak and off-peak periods to adjust fares accordingly. Implement promotional offers, discounts, and loyalty programs to incentivize travellers to choose your airline.

Energy Efficiency Measures: Efficiently manage fuel consumption to reduce operational costs. Develop policies and procedures to improve the energy efficiency of the aircraft fleet. Encourage pilots to adopt fuel-efficient flying practices. Invest in fuel-efficient technologies and regular engine maintenance to optimize fuel consumption.

Cargo Revenue Growth: Actively explore opportunities for air cargo development. Identify target markets with high demand for cargo transportation and develop tailored cargo services. Enhance logistics and freight-related services to gain customer trust and increase cargo revenue.

Cost Allocation Analysis: Conduct a thorough cost allocation analysis to understand expenses associated with each operational aspect. Identify high-cost areas and seek ways to reduce them without compromising service quality. Streamline operations to avoid unnecessary expenses and optimize resource utilization.

Aircraft Utilization Improvement: Optimize the utilization of the aircraft fleet by establishing well-planned flight schedules based on passenger demand. Avoid underutilized flights by offering frequencies that match traveller needs. Implement fleet management systems to ensure efficient aircraft utilization throughout the day.

Market Competitiveness: Monitor the actions and strategies of competitors to remain competitive in the market. Identify the competitive advantages of your airline and highlight these strengths in your marketing campaigns. Analyse customer feedback to continuously improve services and brand image.

Customer Satisfaction: Customer satisfaction is essential for customer loyalty and positive recommendations. Provide quality customer service, friendly and professional interactions with ground and on board staff, and a pleasant and hassle-free travel experience. Handle customer complaints and issues promptly and responsively to build trust in your airline.

Operational Reliability: Ensure reliable airline operations by minimizing delays and cancellations. Implement rigorous preventive maintenance procedures to avoid aircraft breakdowns and technical issues. Keep passengers informed in real-time about flight changes or potential delays to maintain their satisfaction and trust.

Market Research and Expansion: Conduct in-depth market studies to identify new development opportunities. Explore the possibility of opening new profitable routes based on market demand. Identify emerging destinations and lucrative niches to expand your flight network.

Fuel Cost Management: Develop a fuel cost management strategy considering factors influencing fuel price fluctuations. Monitor international oil markets and adjust pricing policies accordingly. Consider economies of scale and long-term contracts with fuel suppliers to stabilize costs and minimize unexpected fuel-related surcharges.

In conclusion, implementing these recommendations can help the company improve operational efficiency, optimize revenue generation, and minimize costs, ultimately leading to better financial performance and sustainable competitiveness in the aviation industry. Strategic decision-making, proactive planning, and customer-centric approaches are essential for navigating the dynamic and demanding aviation landscape.

CONCLUSION

The culmination of this comprehensive investigation into the intricate landscape of decision-making theories and analytical accounting practices within the airline industry underscores the critical significance of effective decision-making strategies.

As the airline sector undergoes profound transformations due to technological advancements, global competition, and evolving customer preferences, the research findings illuminate the pressing need for informed and adaptive decision-making processes.

The study has successfully addressed the existing gap in the literature, shedding light on how decision-making theories, notably contingency theory and adaptive decision-making models, intersect with analytical accounting methodologies within airlines. This exploration has yielded valuable insights into the practical application of these multidimensional frameworks, highlighting their role in shaping strategic decisions, financial performance, risk management, and operational efficiency within the dynamic and competitive global airline industry.

The research outcomes, guided by a set of well-defined hypotheses, have confirmed the substantial impact of integrating contingency theory and adaptive decision-making models with analytical accounting techniques on strategic decision-making processes and financial performance in the airline industry. Moreover, the interplay and alignment of these frameworks have been demonstrated to significantly contribute to enhancing risk management and operational efficiency in airlines navigating a rapidly evolving and uncertain environment. Crucially, the investigation has unveiled specific underlying mechanisms and mediating factors, such as managerial expertise, organizational culture, and information transparency, which mediate the relationship between these integrated frameworks and performance outcomes in airline decision-making.

The significance of this study extends to its potential to bridge the gap between theoretical models and practical implementation within the airline industry. By offering a holistic approach to decision-making, the research empowers airlines not only to enhance efficiency and profitability but also to engage in informed strategic planning, thereby ensuring long-term sustainability and competitiveness.

Practical Implications, one of the notable implications of this research, is the actionable guidance it provides to airlines operating in a volatile and competitive

landscape. The findings underscore the imperative for airlines to incorporate a blend of contingency theory, adaptive decision-making models, and analytical accounting practices into their strategic frameworks. This integration empowers airlines to make informed decisions that align with their objectives, optimize financial performance, and enhance risk management practices.

Furthermore, the identification of mediating factors within this research carries tangible implications for airline management. The recognition of managerial expertise as a significant mediator emphasizes the importance of investing in leadership development and cultivating a cadre of decision-makers who are well-versed in both decision theory and analytical accounting. This, in turn, can contribute to more effective decision-making processes.

Similarly, the role of organizational culture as a mediator highlights the need for airlines to foster an environment that encourages adaptability, data-driven decision-making, and collaboration between different departments. Creating a culture that values and integrates the principles of contingency theory and adaptive decision-making can facilitate the alignment of these frameworks with analytical accounting practices.

The transparency of information, identified as another critical mediating factor, necessitates airlines to invest in data collection, analysis, and reporting systems. Robust information systems can enable the seamless integration of decision-making theories and analytical accounting practices, allowing for real-time monitoring and informed adjustments to strategies.

Academic Contributions

From an academic perspective, this dissertation contributes significantly to the body of knowledge in both decision theory and accounting, particularly in the context of the airline industry. The empirical confirmation of the hypotheses reinforces the theoretical foundations of contingency theory and adaptive decision-making models while providing practical insights into their application.

The identification of specific mediating factors advances our understanding of the mechanisms that underpin the relationship between decision-making frameworks and performance outcomes. This not only contributes to the academic discourse on

decision theory but also opens avenues for further research into the nuances of decision-making in complex industries.

Moreover, this study underscores the importance of interdisciplinary research. The convergence of decision theory, accounting, and organizational behavior within this research demonstrates the value of synthesizing insights from various fields to address complex real-world challenges. It encourages future scholars to adopt a multidisciplinary approach to investigate decision-making processes in other industries.

Future Research Directions

While this dissertation has made substantial strides in elucidating the intersection of decision-making theories and analytical accounting practices in the airline industry, several avenues for future research emerge. One such avenue involves conducting longitudinal studies to assess the long-term impact of integrated decision-making frameworks on airlines' performance and resilience. This could provide insights into how airlines adapt these frameworks over time.

Additionally, further research can delve deeper into the specific mechanisms of information transparency, managerial expertise, and organizational culture as mediators. A more granular understanding of how these factors operate and interact within airline decision-making could offer valuable insights for management practices and leadership development.

The exploration of decision-making in different sectors could expand the applicability of this research. Comparative studies across industries could reveal commonalities and distinctions in decision-making processes, thus contributing to a broader understanding of effective decision-making strategies.

In sum, this dissertation serves as a comprehensive exploration of decision-making theories and analytical accounting practices within the airline industry. Its findings resonate not only within the academic realm but also across the practical landscape of airlines seeking to thrive in an era defined by dynamic change and fierce competition.

As airlines continue to navigate a complex operating environment, the insights gleaned from this research offer a compass by which they can chart their course. The integration of contingency theory, adaptive decision-making models, and analytical

accounting practices emerges as a strategic imperative. It empowers airlines to make decisions that are not only grounded in theory but are also aligned with practical realities, ultimately fostering efficiency, profitability, and informed strategic planning.

As the aviation sector evolves, this research serves as a testament to the enduring importance of rigorous inquiry and interdisciplinary exploration in addressing the multifaceted challenges of decision-making in a rapidly changing world.

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APPENDICE A - CORRELATION FOR ALGIERS - MARSEILLE - ALGIERS ROUTE

Table 11: Correlation between Passenger Revenue and Fuel Revenue (Algiers-Marseille-Algiers Route)

Variables	**Pearson Correlation (r)**	**Significance (p)**
PR	1.000	
FR	0.750**	<0.01

Source: IBM SPSS

Table 12: Correlation between Passenger Revenue and Total Revenue (Algiers-Marseille-Algiers Route)

Variables	**Pearson Correlation (r)**	**Significance (p)**
PR	1.000	
TR	0.880**	<0.01

Source: IBM SPSS

Table 13: Correlation between Fuel Revenue and Total Revenue (Algiers-Marseille-Algiers Route)

Variables	**Pearson Correlation (r)**	**Significance (p)**
PR	1.000	
FR	0.750**	<0.01

Source: IBM SPSS

APPENDICE B - CORRELATION FOR ALGIERS - PARIS - ALGIERS ROUTE

Table 14: Correlation between Passenger Revenue and Fuel Revenue (Algiers-Paris-Algiers Route)

Variables	**Pearson Correlation (r)**	**Significance (p)**
PR	1.000	
FR	0.700**	<0.01

Source: IBM SPSS

Table 15: Correlation between Passenger Revenue and Total Revenue (Algiers-Paris-Algiers Route)

Variables	**Pearson Correlation (r)**	**Significance (p)**
PR	1.000	
TR	0.860**	<0.01

Source: IBM SPSS

Table 16: Correlation between Fuel Revenue and Total Revenue (Algiers-Paris-Algiers Route)

Variables	**Pearson Correlation (r)**	**Significance (p)**
FR	1.000	
TR	0.625**	<0.01

Source: IBM SPSS