



*Iqra National University, Peshawar*  
Assignment 2020  
Course Title: Organizational Behavior

Total Marks: 50

Note: Attempt all questions

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**Read The case study and answer the following accordingly.**

1. Do you agree that good communication reduces uncertainty; in your opinion could it have saved Pan Am?

**Answer:** I strongly agree with the above statement. Based on the research, good communication during a crisis largely reduces uncertainty and it is considered as one of the important elements of workplace disaster management. Communicating with the internal staff, clients and media is very critical in order to communicate effectively because precise, timely and relevant information is critical during any crisis and emergency. It is highly recommended that crisis communication has to be an integral part of an effective communication plan. In order to minimize the effectiveness of a crisis, it is necessary for all businesses to have a crisis communication plan to ensure that accurate information is provided during an emergency which can enable the team to make better response strategies. So this good interaction determines the ability of the organization to deal with the crisis effectively, (Scholes, 1988; Smith, 1992:13).

In my point of view, if there was a good communication strategy followed by Pan Am internally with employees and externally with media and other stakeholders that could have saved it from bankruptcy. If the founder Trippe had good relations with Washington, they would have been allowed to use domestic routes.

2. Based on the case study do you think Pan Am was flexible in their decision making?

**Answer:** I do not think so if they were flexible in decision making because they did not have alternative planning/options. They could keep focusing the business strongly on trans-Atlantic and Latin American routes without selling its Pacific routes along with some aircrafts and airport facilities, to United Airlines for \$US750 million. Because when the domestic routes started improving, they could not join them back due to financial distress.

3. In your opinion, where do you think they made a mistake that caused the failure to the airline.

**Answer:** After implementing the company's new structure program in 1983 which included staff reduction and route revisions, the next year was not a good start for Pan A. At the start of the year, it's 5 labor unions went on a strike against the Ackers planned staffing and demanded wage increase. The biggest mistake that Acker made here was focusing the business strongly on trans-Atlantic and Latin American routes and sold its Pacific routes along with some aircrafts. And airport facilities, to United Airlines for \$US750 million.

4. What can you generalize from the case study based on information, was it a group culture organization?

**Answer:** I think the problem with the Pan AM was in their organizational culture. The company did not have any specific strategic planning and most of the major decisions were taken without involving the points of views of its employees, customers and other stakeholders. It was a kind of centralized organization in which decision making authority was kept solely with top level management.

5. Write a summary of the case study and be more specific on what you understood out of this study.

**Answer:** The summary of the whole story is that Pan American World Airways is known as a symbol of the historic days of aviation and it was the largest international carrier in the United. As far as my knowledge is concerned on this case study, the airline eventually came to an end due to its poor strategic planning, rising fuel costs, weak crisis management as well as an inability to operate domestic routes. In addition to that, the airline also suffered from several public relations hits in 1988. This was the year that saw a Pan Am B747 crash in Lockerbie, sparking a \$300 million lawsuit, as well as an additional fine from the FAA for 19 security failings. Furthermore, to prevent failure, they could have a strong financial control system, could have brought changes in the organization's culture and structure that might have helped it recover back.