



Final-Term – Semester Assignment

- Subject : Organizational Behaviour
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- ID # 14226
- Semester : 6th
- Date : 01/07/2020

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

Ans:- Yes! Effective communication strategies in high-uncertainty environments can help reduce uncertainties, and forge a unified bond between leaders and employees. Well designed and executed strategies are associated with productivity gains, efficiency improvements, cost reductions, improved morale, and decreased employee turnover. In my opinion communication was one of the reasons that led Pan Am from disaster to crisis, the stakeholders perception of the crisis organization were determined by media coverage. The way in which the media depict the crisis with the depth and intensity of coverage influenced the stakeholders. Media was considered the antagonist in a crisis scenario. Because of medias highly influential role, the company had to be prepared to take immediate control of informational flow in a crisis plan. If Pan Am communicated in a good manner and provided good information at that time it would have saved them from falling into crisis, but Pan Am's failure to provide information in a timely way resulted media focusing on victims' families. As a result of the information vacuum, rumors as to the cause of the explosion thrived.



Question# (2) Based on the case study do you think Pan Am was flexible in their decision making?

Answer: Pam Am was not flexible in their decision making they could have made better decisions during the turnaround phase. Internationally

the airline had built up a formidable route network but senior executives had realized for some time that the way forward was to increase the feeds to these services. The inconvenience to passengers of having to change from a 'domestic 'airline to Pan Am for international travel was sustainable within the marketplace only as long as regulation was in place on international routes. In anticipation of the problems of deregulation. However, with the advent of deregulation, the lack of feeders became a distinct, rather than a potential, threat. In order to overcome these difficulties, Pan Am sought to develop the domestic feeder system it needed through the acquisition of National Airlines. The purchase of National was deemed a strategic error, given that the cost of the acquisition was excessive in terms of cash and because of incompatible aircraft and routes alongside a range of inherited labor problems. The lack of adequate domestic feeder flights following the advent of deregulation, combined with the problems arising out of the ill-fated acquisition of National, bode ill for Pan Am's and created the potential for crisis which was incubated during the remainder of the decade.



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

Answer: For a while, Pan Am was the only company doing what it did

with a technology advantage, a strong reputation for glamour and exclusive route authority. The airline enjoyed many advantages. This all changed after World War II, when competitors started competing for the same business. Pan Am kept up with its competitors for quite a while.

The downturn of Pan Am began with the 1973 oil crisis. Some of us remember people sitting in lines that wended down the road from gas stations where gasoline was rationed. Pan Am had already spent millions trying to keep up with the competitors. It had just purchased a fleet of Boeing 747s, assuming that the interest in passenger flight would continue to rise. Then the company was faced with skyrocketing fuel costs. The airline never did financially recover. It struggled with labor strife. PanAm attempted to stop the bleeding by selling off its Pacific routes and US domestic network. However, the downing of PanAm 103 in a terrorist attack and the Gulf War doomed the recovery efforts. PanAm finally went belly up on December 4, 1991.

One of Pan Am's initial problems was that it found itself in the post-deregulation 1980s with an inflexible and heavily unionised work force together with a mixed aircraft fleet of varying standards. This, coupled with the company's \ management culture, developed during the secure regulatory years, was to prove to be a problem in the future.

In 1982, however, the environment within which Pan Am operated became more turbulent and hostile and the company's operations became the subject of fierce competition from the new deregulated airlines. This

competition was particularly felt on the trans- Atlantic network which suffered heavily from the price war affecting these routes since 1981 (Donne, 1981; Pan Am, 1983). As a result of this intense price war, Pan

Am was the target of a lawsuit from Laker Airways which alleged a conspiracy to price Laker Airways out of business through the operation of a cartel between Pan Am and other carriers such as British Airways, Air France and Trans World Airlines (Donne, 1982).

Acker's consolidation program enabled Pan Am to reduce its debts and post a loss for 1983 of \$US51 million, an improvement of \$us434million on the 1982 results (Pan Am, 1984). However, the impact of this restructuring was lessened as a result of a series of external factors which caused the company to continue to lose revenue.



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

Ans:- This case study is based on group culture organization because Organizational culture works a lot like this. Every company has its own unique personality, just like people do. The unique personality of an organization is referred to as its \ culture. In groups of people who work together, organizational culture is an invisible but powerful force that influences the behavior of the members of that group.

Organizational culture is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs. Every organization develops and maintains a unique culture, which provides

guidelines and boundaries for the behavior of the members of the organization. Let's explore what elements make up an organization's culture.

Organizational culture is composed of seven characteristics that range in priority from high to low. Every organization has a distinct value for each of these characteristics, which, when combined, defines the organization's unique culture. Members of organizations make judgments on the value their organization places on these characteristics and then adjust their behavior to match this perceived set of values. Let's examine each of these seven characteristics.



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

Answer: The purpose of this paper is to encourage understanding of the practical value to managing and communication practitioners of the positive lessons from issue and crisis management cases. Design, methodology and approach, unlike many other areas of management writing, which focus on new approaches and best practice, issue and crisis management cases often highlight “PR disasters”. This paper uses well known examples to explore the reasons for this focus on failure and proposes ways for managers to move beyond schadenfreude to secure genuine learning and competitive advantage from the adverse experiences of others. Findings, whereas many industry cases are self-serving and prone to wisdom after the event, there is a growing body of authoritative case-books and other material which can provide useful evaluation and benchmarking for

an organization's own activity, both internal and external. Originality value While academics are familiar with the use of communication case analysis, this paper explores the range of published case study resources for practitioners and other managers who may be less aware of what is currently available and how independent analysis and insight can help facilitate effective performance against accountability.

