

Organizational Behaviour

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Question no 1

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

Ans

Communication of uncertainty is an important component of the broader practice of human health risk communication. As discussed by Stirling (2010), conveying the uncertainty in the science related to the decision is crucial not only so that decision makers will understand the range of evidence on which to base a decision, but also because it can make the influences of “deep intractabilities of uncertainty, the perils of group dynamics or the perturbing effect of power ... more rigorously explicit and democratically accountable”

Yes i agree because Effective risk communication can help people make informed decisions by providing structured ways to understand the uncertainties inherent in the choices with which they are presented.

1. Gather the Facts:- Understand the situation, its components, results and future implications as much as possible.
 2. Tell the Truth:-While you should work with your communications team on what information you will be sharing, whatever you share needs to be the unadulterated truth.
 3. Plan Your Communications:- With the exception of FCC and/or regulatory requirements, all communication should be executed from the “inside out.”
 4. Build Communication Skill:- No matter how successful the leader, there is one common truth — communication is a learned skill.
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Question no 2

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

ANS

Pan am was not flexible in their decision because when the crisis start pan am take some not flexible decisions which are given below.

1:pan am selects the new chairman and cheif executive Thomas plassket, on appointment hw introduce a new management team to effect turn around of the organization but due to asset sale in the early of mid. Thomas plassket focus on three success key but he fail in the revenue of the organization.

The second is the Pan Am's contingency plans for airline crisis were brought into operation with the pre-determined members of the crisis team taking up residence in the Heathrow EPIC centre and with a forward information post established by Pan Am staff in the local vicinity of the crash site (Carrington, 1989). Images of the 747s cockpit section dominated the news headlines, as did the conjecture as to the cause of the accident. The issue was whether the plane was destroyed by a bomb or, potentially more dangerous for Pan Am, that it broke up in flight due to metal fatigue in the air frame ofGiven that Pan Am operated the oldest fleet of 747s in operational service (Cornelius, 1988), the problem of ageing planes was a serious issue and had been raised in the media during the preceding year.due to this decision the organization make alot of lost.

Another bad decision is the Pan Am can be viewed as having initiated

An initial turnaround attempt following de-regulation in 1978 with the appointment of Acker in 1981. However, Acker maintained a post-crisis position of decline and, to a considerable extent, unknowingly worsened the situation by his policy of divestment in the early to mid 1980s.

Question no 3

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

ANS

- The issue took a further turn with the announcement on 23 December that the US Embassy in Helsinki had been advised that the airline would be the target of a terrorist bomb on a flight originating in Frankfurt in the two weeks following 13 December 1988 (Donkin and Donne, 1988).
- Public outcry at the noninforming of passengers about a warning was vociferous (Johnson, 1989). Claim and counter claim followed during the first week after the disaster, with Pan Am remaining emphatic that they had not been advised of the terrorist threat to one of its airliners.
- On 29 December 1988, British air accident forensic experts announced that the cause of the tragedy was, in fact, a bomb (Elliot, Evans, Faux and Dawe, 1988).
- 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).

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.

Ans

Crisis risk management is a complex, highly inter-active process which necessitates a considerable degree of strategic thinking on the part of management before the onset of crisis event. Pan Am might 103 serves to illustrate the complexity of the crisis \ management process for organizations. The process of crisis management can be considered to occur in three phases; namely, the crisis of management, the operational phase and the crisis of legitimation. A number of models of the turnaround process have been developed within the literature. Whilst these models have been mainly derived for economic recovery, they still have implications for post-disaster recovery, of the type experienced by Pan Am after the Lockerbie bombing. It should be noticed that turnaround management can occur at the strategic or operational levels and can either be defensive or offensive. Effective turnaround strategies would draw upon such options to create a 'recipe' that was appropriate to the organization in crisis. In addition, it has been argued elsewhere that there are seven key elements which act in combination to create the potential for crisis. Pan Am was, for many years, the premier airline in the USA with a history of international travel stretching back to its foundation in 1927 by World War I navy pilot. In anticipation of the problems of deregulation, Pan Am had repeatedly requested the US government to allow them to operate a number of domestic routes. 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. 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. 1983 saw the

implementation of the company's restructuring programme; with an extensive plan for staff reductions and route revisions. Acker's consolidation program enabled Pan Am to reduce its debts and post a loss for 1983 of \$US51 million, an improvement of \$us434 million on the 1982 results. The following year started badly for Pan Am when its five labour unions decided to strike in retaliation to Acker's planned staffing and employment reviews. The year of 1986 began with terrorist activity, followed by the Chernobyl nuclear accident in the Soviet Union. Pan Am entered 1988 under the threat of sale to Braniff Airlines following the signing of a letter of intent between Braniff and Acker on 10 December 1987. The first crisis during turnaround On Friday, 22 December 1988, at 6.25 pm, PanAm Flight 103 departed from London. Second crisis during turnaround Events took another disastrous turn for the company when, in August 1990, Iraq invaded Kuwait. Finally, terminating any takeover bid by TWA, Pan Am applied for Chapter 11 Bankruptcy Protection in the US courts on 8 January 1991.