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ASSIGNMENT

Read The case study and answer the following accordingly.

Q1: Do you agree that good communication reduces uncertainty; in your opinion could it have saved Pan Am?

Answer(1):

Effective communication is about more than just exchanging information. It's about understanding the emotion and intentions behind the information. As well as being able to clearly convey a message, you need to also listen in a way that gains the full meaning of what's being said and makes the other person feel heard and understood.

Communication plays a fundamental role in all facets of business. It is therefore very important that both internal communication within your organization as well as the communication skills of your employees are effective. Effective Communication is important for the development of an organization. It is something which helps the managers to perform the basic functions of management- Planning, Organizing, Motivating and Controlling. Communication skills whether written or oral form the basis of any business activity. Thus, it can be said that effective communication is the building block of an organization. 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. Effective communication is a basic prerequisite for the attainment of organizational goals. No organization, no group can exist without a communication.

Q2. Based on the case study do you think Pan Am was flexible in their decision making?

Answer(2):

The terrorist bombing of Pan Am Flight 103 in December 1988 was one of the largest loss-of-life transport incidents of the decade and had serious implications for the integrity of the corporation. The bombing, whilst a discrete crisis event in itself, was part of a longer history of crisis through which the company had passed. Pan Am was not flexible in their decision making they could have made better decisions during the turn around 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. 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.

Q3. In your opinion where do you think they made a mistake that caused the failure to the airline.

Answer(3):

Pan American World Airways is known as a symbol of the historic days of aviation. While the airline was the largest international carrier in the United States until its demise in 1991, it was a founding member of the IATA. At its peak the airline also set two around the world records, both using the B747. The airline was fairly old when it ceased operations due to bankruptcy. In sharing the shame and blame of the December 1991 demise of Pan American World Airways, some say that the company's long slide started with founder Juan Terry Trippe, viewed by many as arrogant in conducting business and who never planned for a qualified, long-term successor. Some other reasons for the company's downfall came from more fundamental causes, such as poor management, deregulation, unions, apathy etc. I'd say that the end wasn't all that simple. The U.S. government's refusal to allow Pan Am a connecting domestic-route network during the late 1940s – at a time when domestic-based Trans World

Airways and numerous blossoming foreign carriers were awarded international route authority over routes most of which Pan Am had pioneered – started the beginning of the end.

Q4. What can you generalize from the case study based on information, was it a group culture organization?

Answer(4):

We could generalize from the case study based on information that the organizational culture represents common perception, this was made clear when we defined culture as a system of shared meaning. We should expect, therefore that individuals with different backgrounds will tend to describe organization's culture in similar terms. The organization promote cooperation among the countries of Latin American and the U.S. It was established (as the International Union of American Republics) at the first Pan-American conference, which was called by U.S. secretary of state in order to reach agreements on various common commercial and juridical problems among the countries of the Americas.

Q5. Write a summary of the case study and be more specific on what you understood out of this study.

Answer(5):

This paper uses well known examples to explore the reasons for this focus on failure and proposes ways for managers to move beyond gloating 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 bench-marking for an organization's own activity, both internal and external.

This paper tells us the following main reasons for demise of Pan American World Airways:

- Monopolies, in the case of Pan Am routes granted after WWII, promote waste and tolerance for the status quo, and lead to eventual demise
- Rigid work rules associated with excess unionization lead to eventual demise.
- Organizations that are built on the strength of a single leader, Juan Trippe, eventually fail with no strong leader to follow...“No one who followed Juan Trippe had the foresight to do something strongly positive.”
- Workers who see the source of their income coming from the company instead of from serving the customer will eventually fail.

- Ignoring small competitors seen as irrelevant will lead to eventual demise.
- Finally, can't shrink your way to greatness—selling off profitable routes—instead of necessary reforms will lead to eventual demise.

THE END