THE ROLE OF LEADERSHIP AS A KEY ELEMENT IN ACHIEVING SUSTAINABLE AIRLINE OPERATIONS

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ABSTRACT

The airline industry is a dynamic, yet complex business (Doganis, 2006). Since leadership is crucial in ensuring that airlines are both sustainable and profitable, no matter how good and effective a leader may be, leaders are faced with the constant reality of addressing these internal and external challenges (Chappelow, 2004). The research paper therefore contextualizes the complexity of the external and internal issues which affects an airline's mode of operation and which leaders have to take into consideration. The purpose of the research paper was to address the role of leadership as a key element in achieving the sustainability of an airline's operation.

The review of the existing academic literature and theoretical frameworks of leadership provides the understanding of the varying leadership styles and behaviours as these were crucial to assessing the behaviours and leadership styles that were practiced in the case study, viz. *Airline X*. An emphasis on the frameworks and behaviours of leadership was necessary since leaders are instrumental in driving their vision of the company and ensuring its long term profitability and growth within any industry. This study also uses the examples of successful airlines such as Virgin Airways, Southwest Airlines, etc. to showcase that to be a successful leader in this dynamic industry, one must be innovative, visionary and strategic. The research findings recommend that leadership styles and behaviours are indeed instrumental in ensuring long term sustainability, particularly within this highly complex and competitive industry. To achieve profitability and sustainability in the airline industry, a leader must be able to adopt a leadership approach which is participative and takes on board the relevant inputs from all stakeholders. The research findings also suggest that a leader must have the ability to adapt and tailor his/her leadership style according to the situation and should not restrict and box themselves into adopting one leadership style. Leaders can and should use a combination of leadership styles to instil and build trust with the internal and external stakeholders within the business. These leaderships skills are important as they empower employees, encourage innovation and creativity amongst

them. This is vital if a business wishes to remain competitive and retain its competitive advantage.

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TABLE OF FIGURES

ABBREVIATIONS

	Description
ACSA	Airports Company of South Africa
AOC	Air Operator Committee
BA	British Airways
BASA	Board of Airline Representatives
CAA	Civil Aviation Authority
IATA	International Air Transportation Association
IOSA	International Operational Safety Authority
SACAA	South African Civil Aviation Authority
SAA	South African Airways

CHAPTER 1: INTRODUCTION

This chapter identifies the researcher's interest in the issue of leadership particularly within the aviation industry. The chapter contextualizes the complexity of the external and internal issues which affects an airline's mode of operation and which leaders have to take into consideration. *Chapter 1* outlines the objectives of the dissertation and specifies the purpose of the study which was to examine the role of leadership as a key element in achieving the sustainability of an airline's operation. The chapter also provides background information about the case study, *Airline X* and a justification for the selection of this business.

1.1 Background

The airline industry is a dynamic, yet complex business (Doganis, 2006). *Figure 1* below provides an illustration of the complexities of the internal and external challenges that leaders will encounter in the industry.

Figure 1: Challenges facing Airline Carriers

(Source: Chappelow, 2006)

Leaders in this industry have to be well-versed with the dynamics of operating an airline. This implies that they have to take into account the complex internal and external factors which can influence and affect their business operations. In this industry, which is classified as atypical, the challenges which are sometimes beyond the control of an airline executive range from the rise in oil prices, increased security threats, competition from low cost carriers (Ibid), political events, currency fluctuations, landing and parking fees, etc. (Wirtz, et al. 2006). Regulations also pose quite a challenge for an airline carrier. This is because regulations provide the guidelines for the operational standards of airlines, i.e. both nationally and internationally. These regulations are controlled by the state and international bodies who set and monitor operational standards. Airlines have to comply with these standards as well as take on board the public's interest on polices which include safety, security, environment, pricing and quality of service. Internally, executives are also faced with ensuring that their management are able to deal with the challenges of labour strikes, human resources, marketing, technical requirements, etc.

As an airline's profitability is largely dependent on the world economic climate, a downturn in the world economy greatly affects profitability (Doganis, 2006:5)in the industry as demonstrated by the global events such as: September 11 2001, the invasion of Iraq in 2003, the SARS (Severe Acute Respiratory Syndrome) epidemic in 2007 and the global economic recession in 2008, which can have a negative impact on the profitability of an airline and can result in huge losses which run into the billions. Doganis (2006) suggests that this downturn is largely attributed to the industry's cyclical nature where profitability fluctuates from being marginal and cyclical. In other words, an airline can sustain reasonable profits for a number of years as well as experience a period of losses or a decline in profits.

1.1.1 Government vs. Private Independent Airlines

Prior to 9/11, the landscape of the aviation industry was characterized by dominant larger airlines in the US and the UK who had engaged in monopolistic activity. Countries such as BRIC (Brazil, Russia, India and China) began to maximize these opportunities within the airline industry and were able to stimulate their economic growth through their low cost and volume carrier strategies. In dealing with this demand, there has been a major shift in the market because independent airlines had started to compete with state owned and subsidized airlines (Doganis, 2006). The challenge for independent airlines has been in creating longevity, sustainability and increasing the return on their investments. Therefore it has been imperative that independent airlines seek innovative and resourceful methods to achieve their business objectives. This is applicable to all independent airlines worldwide.

Airline X, the case study used in this research paper, was an independent/ privately-owned airline (refer to paragraph 1.2). *Airline X* had faced numerous difficulties because of the monopolistic control by state-owned companies such as Airports Company of South Africa (ACSA). Private airlines have had to deal with issues such as the limitation of access to technology, aircrafts, key service providers, the cost of compliance and the political influence of the state owned airlines. It should be noted that leaders who are competing in South Africa's airline industry are expected to meet the requirements of the employment equity bill which mandates the employment of black personnel. Black personnel were not formerly trained in this sector or given a chance to be employed in these high tech industries. Operating in this industry requires leaders to recognize that:

1) there is a shortage of airline skills; and
2) they would need to invest in training and development and other resources which are necessary to ensure the retention of key personnel.

Despite the external and internal challenges that airlines will face, the aviation industry does play a significant role in terms of the infrastructural development and contribution that it makes to a country's economy, e.g. tourism, business, etc. This is an industry that is characterized by innovative ideas and is filled with excitement and dynamism (Wirtz, et al. 2006).

1.1.2 Challenges and leadership

Since leadership is crucial in ensuring that airlines are both sustainable and profitable, no matter how good and effective a leader may be, leaders are faced with the constant reality of addressing these internal and external challenges (Chappelow, 2004). "How much hope can any airline CEO have saving the company? From my outsider's perspective, it seems like so much is beyond the influence of any single persons –wage fights with entrenched labour unions, the skyrocketing cost of fuel, increased risks after September 11, 2001 and increased competition from no-frills carriers" (Chappelow, 2004:22).

In order for airline executives to address these numerous challenges that they will face over the course of their carrier's operation, they must be willing to invest their time, effort and energy, so that they are able to achieve the objectives of the business. They have to develop and implement the processes, policies and human resources that are required to make the airline profitable in order to attract, deploy and train personnel. Leaders also have to ensure that they are able to offer prospective employees lucrative offers such as competitive remuneration packages which include incentives and share-ownership. It is important for leaders to establish good and effective planning and control systems to tackle and encourage growth as this is an industry that is subjective to pricing, globalization, service and skills. Leaders must also be able to create sustainable relationships with stakeholders by forming formidable partnerships with all service providers and influential role players.

As will be demonstrated in this research paper, there are different forms of leadership styles and qualities which leaders have used to deal with the many challenges of daily operations and to successfully grow their businesses. Even though leaders may have innate traits of leading, what matters is their ability to lead their followers by shaping and influencing behaviour so that their followers can work towards achieving their vision.

In addition to this, a leader's leadership style is also important towards achieving the business objectives as will be discussed in *Chapter 2*. This paper will therefore show that leaders in this industry should have the ability to adapt their leadership traits and styles in order to build and sustain their business.

1.2 Background – *Airline X*

In this study, the researcher used the case study of an independent/privately owned airline. Some of the matters regarding the collapse of the airline are *sub judice*; therefore the identity of the airline and its ex-employees are withheld. In line with the ethics and confidentiality issues of the research paper and for the purposes of this study, the airline is referred to as *Airline X*.

Airline X was a privately owned airline and was founded in the 1990s and its main focus was on chartering services for the United Nations and the World Food programme in Africa. Owing to the success of the charter operation, this allowed *Airline X* to establish a scheduled domestic passenger operation to destinations in South Africa. As a result of continued growth, *Airline X* was able to expand into Africa as well as establish routes to London (*Airline X* Business Plan, 2007). The airline carried over a million passengers a year.

Airline X had conformed to the principles, values and guidelines of the International Operational Safety Authority (IOSA). In addition to this, *Airline X* also provided high-quality air transportation services which met and exceeded the expectations of the customer whilst also ensuring that it maintained safety standards (*Airline X,* Business plan, 2007). *Airline X* became a major player in the South African Airline industry, winning numerous awards as the best domestic and African airline. Nevertheless, seventeen years into its existence, *Airline X* collapsed.

Airline X employed between 800 and 1000 people and had 17 aircraft in its fleet. The combined turnover of *Airline X* was approximately ZAR1, 2 billion a year. According to *Airline X's* business plan (2007) their projections included significant growth during 2008. However, a technical accident in November 2007 resulted in the airline experiencing significant losses. Despite this the airline was able to resume operations in December 2007. The airline was not able to recover from the damage caused to its reputation. The founder of the company had tried to rebuild its reputation against the challenges of a damaged brand, a weakening Rand, a 30% increase in fuel cost, the

Open skies policy and a lack of sufficient capital to maintain the airline. Whilst the founder showed significant commitment during this time, this study's primary focus was on examining the role of leadership before the airline had collapsed. It also examined the leadership style which was utilized in the organization amidst all the internal and external challenges with which the business was faced.

The foregoing motivated the researcher to examine the role of leadership before the collapse of the airline as well as the leadership style utilized in the organization amidst all the internal and external challenges that the business faced.

Airline X had a similar structure to that of Lufthansa and Singapore Airlines as illustrated in *Figure 2* below. The business units were operated independently with its core focus and emphasis on the customer. This is because flights were viewed to be the biggest generator of revenue for the business.

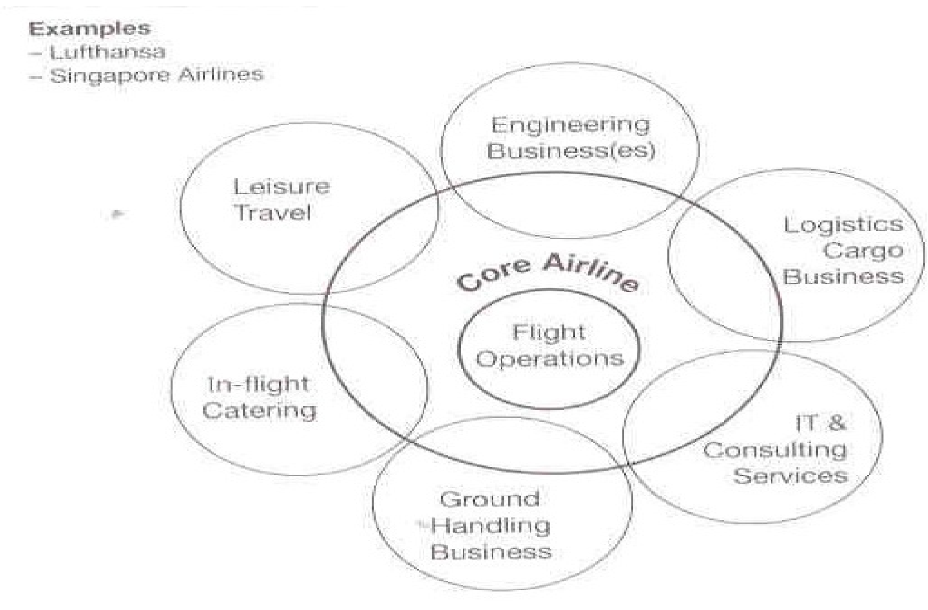


Figure 2: Similarity to other Airline Businesses

(Source: Doganis, 2006:285)

The primary emphasis of *Airline X* was to achieve its vision of being acknowledged by employees, customers and other stakeholders as being the airline of choice. It was ranked in the top five of South African carriers. *Airline X* also adopted a customer centric approach whilst also seeking to improve its profitability and productivity.

1.3 Rationale for Selecting a Case Study

According to Yin (1994), as cited in Merriam (1988:10), a case study is an empirical enquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident. *Airline X* was selected as a result of its closure in 2008. Upon assessment of the company's strategic business plan and in view of South Africa's hosting of the 2010 Soccer World Cup, the airline was presented with numerous opportunities for growth and expansion. The case study which was selected provided the researcher with the opportunity to determine whether leadership can be used as a yardstick for assessing its importance in driving and leading a successful business operation.

1.4 Problem statement

*"Leaders in the airline business need to be visionary strategic innovators to compete globally" (*Wirtz, et al. 2006)

Wirtz, et al. (2006) provides a clear understanding of the kind of leader that is required to manage and turn the airline into a profitable business. A leader in this business is required to have a vision, be strategic and innovative in order to stay abreast of their competitors. It is within this context that the research paper investigates the role of leadership as a key element in ensuring its sustainability. Leaders in the airline business have been labelled controversial, especially those who have led the many unsuccessful state-owned airlines. This label has also been extended to those who have run successful private sector airlines such as Southwest Airlines in the US, Ryanair and Easyjet in UK (Doganis, 2006).

The study further seeks to explore the extent to which *Airline X's* leadership style could have contributed to its collapse taking into account that leaders have to be visionary and strategic. The effectiveness of *Airline X's* leadership is also examined by placing emphasis on what it did or did not do in ensuring the long-term sustainability of the business. The dissertation statement also addresses the relationships that *Airline X* had with stakeholders and its impact on the business.

1.5 Aims and objectives of the study

The study uses the relevant academic literature to define the leadership concepts and leadership styles in order to examine and identify the leadership traits and styles that were used by the CEO of *Airline X*. The study also investigates, through the use of qualitative research, how followers perceived and understood leadership within their institution and how it impacted upon the operations of the airline. It seeks to address the role that leadership plays in the creation and running of a successful business. The study therefore assesses why *Airline X* failed and what impact had leadership played in its failure, if any? It examines the leadership challenges that *Airline X* had encountered by looking at its strengths and weakness. It also provides an overview of lessons that can be learnt from the collapse of *Airline X* and underpins the importance of leadership.

This study seeks to answer the following questions in order to address the problem statement:

1) What is the relationship between leadership and sustainability of an airline operation?
2) What was the predominant leadership style of *Airline X*?
3) What was the impact of the leadership style on operations of *Airline X*?
4) What leadership lessons can be learnt from the experiences of *Airline X*?

The study will show that even though the airline industry is a complex business and is quite challenging, when a leader is operating in this industry, he or she must and should have the ability to implement a leadership style that is decisive, robust and relational. As will be demonstrated from the research findings there was a lack of alignment to a leadership style. By aligning the appropriate leadership style this allows management to ensure that the appropriate structures are put into place so as to support and encourage the growth of personnel. By adopting this strategy this can prevent employees from feeling alienated and not trusting the leader.

Conclusion

The research paper comprises five chapters. *Chapter 1* as discussed above, has set the context of the external and internal challenges that airline executives will encounter during the course of its business operations. It highlights the complex issues that a leader has to deal with. In addition to this the chapter has contextualized the dissertation statement and provided an overview of the objectives of the study and provided background information about *Airline X*. *Chapter 2* reviews the literature in order to define and understand leadership and its theories. The chapter provides some examples of airlines in the international arena so as to draw comparisons to that of *Airline X* and to determine whether leaders do play an instrumental role in the long-term sustainability of an airline's operations. *Chapter 3* discusses the methodology used in the study. *Chapter 4* provides an analysis and assessment of the results obtained from the qualitative research. The last chapter provides conclusions on the importance of leadership in ensuring long-term sustainability in the airline industry.

CHAPTER 2: LITERATURE REVIEW

This chapter reviews the existing academic literature and theoretical frameworks in order to support the topic that is under discussion. It defines and examines the concepts that are applicable to leadership. The chapter also discusses the different leadership styles and identifies the characteristics of a leader. It also draws linkages on the establishment of relationships with external and internal stake stakeholders' that are essential in ensuring sustainability of an airline's operation.

2.1 Defining Leadership

Based on the numerous works by scholars and the various academic literatures, it is clear that there is no one set definition or consensus for leadership (Daft, 2002). According to Daft (2002) there are well over 350 definitions of leadership. As leadership is considered to be complex, it is little wonder that it continues to be a challenge to define what leadership is. This is because leadership has many facets which contribute to its success. These include personality, physical traits, the behaviour of the leader and the environment in which leaders operate. In addition to this there are different levels of relationships that exist between leaders and followers (Hughes, et al., 2006).

Northouse (2002:2) who discusses the varying approaches to leadership defines leadership as an act or behaviour where there are "things" that "leaders do to bring about change group". This is further supported by Bass (1990), cited in Northouse (2002), who suggests that leaders are instrumental in bringing about group change , activity and the will of the group. Leadership can also be defined within the context of "power relationships that exists between leaders and followers" (Ibid: 2). According to Bass, 1985; Tichy & Devanna, 1986 cited in Hughes, et al. (2006), leaders can successfully create a vision of the goals that they want to achieve by transforming and influencing their followers to achieve those goals. Critical to the achievement of these goals, is that employees must take ownership of the process.

In defining what leadership is, both Kouzes & Posner (2007) and Daft (2002) suggest that leaders must be able to create a shared vision and a common goal. *Figure 3* describes how Daft defines leadership. According to Daft (2002:5) "Leadership is an influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purposes...Leadership involves influence, it occurs among people, those people intentionally desire significant changes, and changes reflect purposes shared by leaders and followers”.

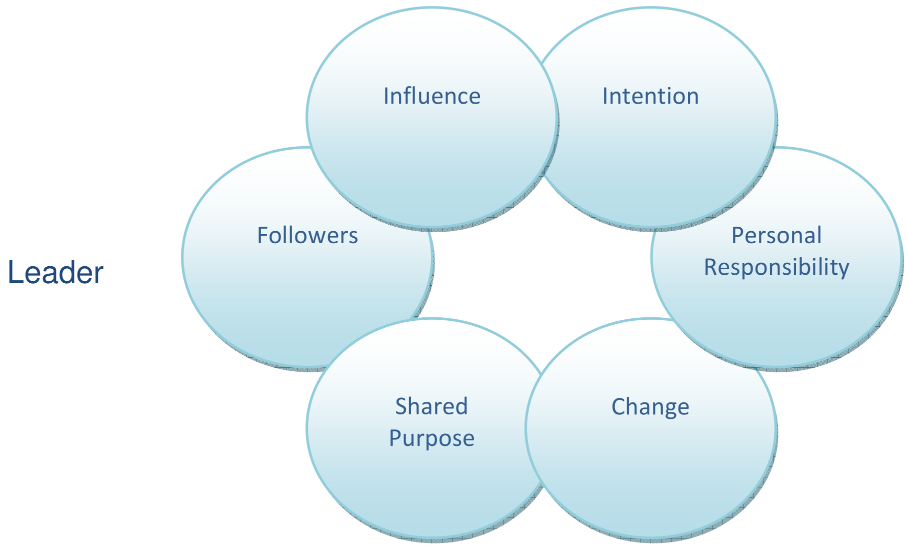


Figure 3: What Leadership Involves

(Source: Daft, 2002:5)

The diagram illustrates that leadership is about the influence and the quality of the interactions that take place between a leader and a follower. It is this ability to influence and create meaningful relationships that can lead to and bring about change and create success in an organization. Whilst many scholars suggest and support the ability to create and influence relationships, this study shows that the leadership style utilized in *Airline X* was not endearing towards creating fruitful interactions between the leader and his followers. Even though there may have been a vision by the followers of *Airline X*, the leader’s influence was driven by one of fear factor rather than respect or trust.

Leadership versus Management

The terms leadership and management are often used inter-changeably. Although there are areas of overlap, there are also essential differences. Leadership should not be confused with management as "leadership complements management; it doesn't replace it" (Kotter, 1999:52). *Figure 4* illustrates that while both leaders and managers work towards a shared vision and mission of the organization, there are essential differences in their roles and functions. Managers are more directive and internally focused, while leaders are strategic as well as exert internal and external influence. Leaders are generally change agents, innovative and will challenge the status quo. Managers manage complexities; focus on control and on obtaining results. Managers also give clear directions whilst accepting the status quo. The distinguishing factors as indicated in *Figure 4* show that there is quite a difference in: a) how leaders and managers think and b) what their responsibilities are.

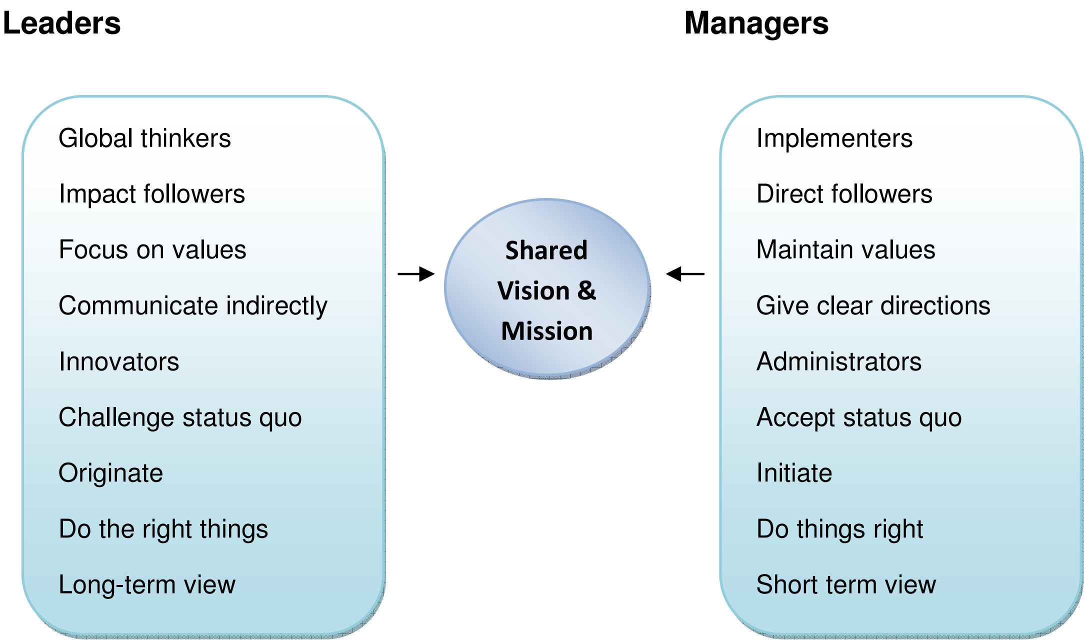


Figure 4: Differences between leaders and Managers

(Source: Hughes, et al., 2006:39)

Leadership takes a long term view on organizational growth and sustainability, while management is focused on operational functions in the short to medium term. While both leadership and management were responsible for *Airlines X's* demise, ultimately a business's success depends upon its leadership. This is because leadership is tasked with the responsibility and power to save it from collapsing. The study demonstrates that instead of focusing on micro-managing operations, leaders must have clear business objectives through long-term planning. Leaders must also have the ability to delegate as this empowers employees and allows for adequate systems and structures to be put in place to enhance business operations.

Characteristics of leaders

Kouzes and Posner (2007:30) suggest that the four most important characteristics of a leader are honesty, forward-looking, inspirational and competence. According to Neff and Critin, cited in Daft (2002), whilst leaders have differences in personality, there is a commonality in their traits and philosophies. They found that leaders have common traits such as passion, intelligence, communication skills, highly energetic, controlled ego, inner peace, positive attitudes, strong family life and place emphasis on doing the right things (Ibid:46).

In line with some of the abovementioned characteristics, it is imperative for leaders in the airline industry to be visionary, strategic and innovative in this competitive environment (Wirtz, et al., 2006). This is because of the rapid changes within the global economy and the complex nature of the airline industry. According to Wirtz, et al. (2006):

1) Visionary leaders are able to influence their employees to move decisively and collectively towards a shared organizational purpose. They do this by painting a compelling picture of the future that draws the employees to commit their individual energies,
2) Strategic leadership refers to the ability of leaders to see beyond the day to day operational issues, and

3) Innovative leadership is the ability to generate viable ideas, methods and solutions and to turn them into profitable businesses.

Kouzes and Posner (2007:184) argue that leaders are always asking “What’s new? What’s next? What’s better?”

From the above, it is very clear that leaders must be able to possess characteristics that allow, foster, nurture and encourage growth. With this, a leader must have the ability to communicate honestly and win the trust and respect of their followers which was not evident based on the relationships that the CEO had with employees at *Airline X*. Ruling by fear does not instil and create much room for creativity and growth of employees. Whilst individuals at *Airline X* were driven by commitment and a passion in line with the vision of the airline (to be the best), the study will demonstrate that it is the lack of strategic direction by the CEO which did not contribute to a conducive and healthy functioning business in the long-term. Based on the data detailed in *Chapter 4*, the cracks in the business were transparent and no contingency was made for the weaknesses of the organization (there was no long-term planning, ongoing investment in the human capital, share ownership, etc). The study therefore suggests that the three aspects of leadership (visionary, strategic and innovative) required in the airline industry was severely lacking at *Airline X* and it was only a matter of time before the business failed. The signs of failure were evident. It was highly unlikely that the business would have survived even if it had recovered from the engine failure incident. This is because its core structure was weak.

Leadership styles and behaviours

There are many ways of describing leadership types and behaviours. Daft (2002) identifies two types of leadership behaviour, viz. the autocratic and democratic leadership styles. The autocratic style of leadership is one of control and centralized power whereas democratic leadership is one of collective decision-making which relies on the leader’s ability to influence followers and not to use coersion (Daft, 2002).

Tannenbaum and Schmidt (1973), cited in Daft (2002), suggest that leadership can consist of a ‘combination’ of the two styles of leadership and defines this as continuum leadership. According to Daft (2002), this provides a leader with the ability to blend the two styles of leadership and apply it to their organizational context. What matters in the organizational context is not whether the autocratic or democratic leadership is correct or not, but rather that a leader can tailor and adapt their leadership style to meet the organizational needs of the business.

The path-goal theory, according to Northouse (2007), describes how leaders and subordinates can achieve their goals by working and choosing appropriate styles of leadership to increase the subordinate's expectations for success and satisfaction through motivation. The strength of the path-goal theory, as described by Northouse (2007), is that it highlights the need of the leader to keep both the task as well as the subordinate's characteristics in balance and consideration. It identifies four types of leader behaviours viz. the directive, supportive, participative and achievement - oriented leadership (Hughes, et al., 2006):

1) Directive leadership is a type of leadership that is goal-orientated and where the leader provides clear guidelines about the rules and regulations and communicates clear standards that are expected of subordinates;
2) Supportive leadership is a friendly and an approachable process where leaders respect subordinates and are concerned about their well-being and progress, with leaders taking their feelings into consideration;
3) Participative leadership is one which advocates collective leadership from decision-making, consulting, and the integration of ideas and opinions; and
4) Achievement-oriented leadership allows leaders to set a high-degree of confidence with high levels of performance. This also offers improvements in subordinates' capabilities and allows the leader to challenge subordinates (Northouse, 2007).

House and Mitchell (1974), cited in Northouse (2007), argues that leaders tend to use any or all of these four styles of leadership behaviour in different situations and with different subordinates. Northouse (2007) adopts a similar stance to Daft (2002) that specifies that leaders should adapt their leadership behaviour to suit different situations and followers. It is clear from Daft (2002) and Northhouse (2007) that leaders have the ability to change their behaviour as the need arises without compromising the end objective.

Leadership should not be restrictive, as leaders have the option of adopting one or a combination of leadership styles when interacting with their respective followers. Leadership according to Gittell (2005) is not restricted to take place within a specific level of the organization, rather it is a process which occurs at all levels. It is this approach to leadership that ensures motivation, and supports, as well as provides, employees with the necessary tools towards achieving the shared goals of the business.

The abovementioned leadership styles and behaviours suggests that it is not cast in stone that leaders have to be restricted or confined to practicing one leadership style. In fact, leaders should have the flexibility to adapt their style to any given situation and can and should use these different approaches (directive, participative, supportive and action-oriented) to build a stronger business. The data analysis outlined in *Chapter 4,* shows that the leadership styles suggested by Northouse (2007) were not practiced. Whilst leaders may have the ability to adapt their behaviour without compromising the end objective, this was not the case in *Airline X*.

2.2 Leadership: Relationships with stakeholders

According to Weymes (2003), for any organization to achieve success, it must have a vested interest in forming relationships which are sustainable. In this instance the leader must be able to "influence the feelings and emotions of those associated with the organization to create the emotional heart of the organization". A leader should also have the ability to "determine the tenor of the relationship between the people inside and outside the organization" (Ibid: 320). Kouzes and Posner (2007:321) suggest that leadership and relationships are intertwined as they cannot take place without the other. Within this relationship, there is a leader who has an aspiration to lead and his/her followers who have the choice of following. What matters the most in this relationship is its quality, i.e., it must be able to achieve extraordinary things (Ibid: 25). For a leader to be effective in this relationship he/she must be able to evoke positive feelings amongst their followers. A relationship that is unable to evoke positive feelings and is based on fear and mistrust, according to Kouzes and Posner (2007:25), cannot "produce anything of lasting value". This is demonstrated in the case study of *Airline X* as the Airline's CEO was not able to foster a culture of mutual respect and confidence which is important in overcoming the "greatest adversities" and allows for one to "leave a legacy of significance" (Ibid:25).

Maak (2007:330) states that the purpose of leadership is to build and cultivate "sustainable relationships with stakeholders inside and outside the organization to achieve shared objectives based on a vision of, as a force of good from the many and not just a few." In order for leaders to engage in responsible leadership they must be able to broker and establish relationships with the relevant stakeholders which are mutually beneficially. This can be done through fostering goodwill and trust. As leaders are on an even-level playing field when it comes to interacting with their external stakeholders since their relationship is not hierarchical, they must be able to "build and sustain trustful relations" (Ibid: 332). By engaging in responsible leadership, leaders are able to bring life to their visions through their ability to mobilize internal and external stakeholders so that they are able to make a contribution to the "sustainability and legitimacy" of the business (Maak, 2007:334).

External and Internal relationships

A leader in the airline industry must have the ability to form strong and trustworthy relationships with internal and external stakeholders. The former CEO of Southwest airlines, Herb Kelleher demonstrated "extraordinary leadership" which contributed to the success of Southwest airlines. Kelleher's success was attributed to his ability to build and sustain relationships with stakeholders on the basis of "shared goals, shared knowledge and mutual respect" (Gittell, 2005:12). Leadership in this industry is considered to be the instrumental or differentiating factor in terms of setting one leader apart from another. What has distinguished Southwest airlines from other airlines is that the airline had an ability to adopt a "proactive, partnership approach" which had been beneficial both internally and externally (Gittell, 2005:184). The airline had relied on outside parties for the jobs that it was unable do such as managing the airports or running the air traffic control systems. In addition to this, much emphasis was placed on establishing positive partnerships with the airports, airlines, regulators, air traffic controls, suppliers, aircraft manufacturers, etc. that it served. For example, when Southwest airlines interacted with Boeing, they were able to allow for the exchange of information in a free-flow manner which was beneficial for both sides. This went beyond the traditional supplier relations (Ibid). Southwest airline was able to go against the traditional approach by transacting with suppliers, manufacturers, etc. This was different from the old way of interacting where information was closely guarded and only exchanged through formal contracts. It is this ability to create value-added partnerships that contributed to Southwest airline's success. The primary basis for establishing relationships with stakeholders was reflected in three key aspects, "shared goals, shared knowledge, and mutual respect with them" (Ibid: 193).

Southwest was able to develop successful internal relationships which it believed had to be "extended to their relationships with outside partners". This is because they treated their suppliers as partners which had allowed for the extension of the airline's "sphere of influence beyond its employees to encompass its entire value chain" (Ibid: 193). The Southwest model teaches other airline participants that "relationships are critical for coordinating across organizational boundaries, just as they are critical for coordinating across functional boundaries" (Gittell, 2005:193).

From the above, there can be no doubt that building and maintaining relationships with internal and external stakeholders is important. Viewing these stakeholders as partners enhances external relationships as proven by Southwest airlines. Whilst not much emphasis has been placed on the detailed relationships with external stakeholders, the response of some of the interviewees seems to suggest that both internally and externally; *Airline X* was "fire fighting". A crucial lesson learnt from Southwest airline is that effective internal and external relationships must not and cannot be underestimated. In the case of *Airline X*, the inability to foster and maintain good relationships with internal and external stakeholders had affected the success of the business.

2.3 Leadership & Organizational sustainability (structure, values & practices of exemplary leadership)

Gitsham, Gribben and Hind (2008) found that the mindset and skills of individual managers were critical for organizational sustainability. They argue that developing the mindset of organizational leaders is a stronger determinant of success rather than policies and procedures. The study will show that the mindset of the leader is important as well as establishing effective policies and procedures which enhances the business operation of an organization. Both of these determinants of success, as will be demonstrated, were problematic areas for *Airline X*.

Organizational values are also important in ensuring sustainability of the business. This is because when an individual has unhealthy values such as displayed by the CEO of *Airline X*, i.e. "dog eat dog" sentiment, this outdated macho management ideal which is not sensible for today's sustainable competitiveness (Kuper,2006) does not and will not lead to long-term success of a business. Values are defined as those "set of core beliefs about how we should or ought to behave over a broad range of situations. Values influence our decision-making and guide us in making choices for ourselves and in our actions with others" (Ibid: 17). This study shows that when values are misunderstood, are not adaptive to the changing needs of the business and do not encourage collaborative and strategic efforts by all, the business is not able to successfully manage change.

Following extensive research which was conducted on the experiences of exemplary leadership by Kouzes and Posner (2007), they established that there are five personal-best leadership experiences which leaders engage in. These key practices which they have identified are: modelling the way, inspiring a shared vision, challenging the process, enabling others to act and encouraging the heart. These key five practices have been used in this study to determine the leadership style and traits that was adopted in *Airline X* and to understand if this had an impact on the organizational sustainability of the business.

Model the way

Leaders have to behave in such a manner so as to win the respect of their followers and lead by example by giving voice to their values. Leaders must also be clear about their guidelines. They must also establish clear values by opening up their hearts and letting their followers know what they really think and believe in. They "must forge agreement around common principles and ideals" (Kouzes and Posner, 2007:15). Leaders must also have a hands-on approach and be action oriented in order for followers to buyin into their leadership example and plan (Ibid). In modelling the way the study seeks to examine whether the leaders were able to successfully achieve this in the organization and to provide clear guideline and inspire a shared vision.

"The dream or vision is the force that invents the future" (Kouzes and Posner, 2007:17). Leaders should be able to display this characteristic so that they are able to enlist their followers in sharing their dream/vision. According to Kouzes and Posner (2007), a leader must have the ability to forge a unity of purpose by communicating that the dream or vision is for the common good by stirring the fire of passion. The inspiration needs to be contagious so that followers will be enthusiastic about their projects (Ibid).

According to McShane and Von Glinow (2005:428), transformational leadership "explains how leaders change teams or organizations by creating, communicating and modelling a vision for the organization or work unit, and inspiring employees to strive for that vision". It is this type of leadership which allowed the leaders of Southwest Airlines (Herb Kelleher) and Virgin (Richard Branson) to transform their organizations by developing a vision for the business through inspiring and getting employees to work collectively towards this vision. In other words, the transformational leader is able to give employee a sense that the vision is achievable through the "can do attitude" (Ibid: 428).

This study therefore assesses the vision of the CEO and his ability to lead his followers as a "leader's vision of the future can align efforts and help groups accomplish more" (Hughes, et al. 2006:413).

Figure 5 illustrates that groups without a clear vision are all over the place whereas groups with a vision seem to have synchronicity. Hughes, et al. (2006:412) states that transformation and charismatic leaders are “inherently future oriented” and that they can help shift a group towards achieving goals

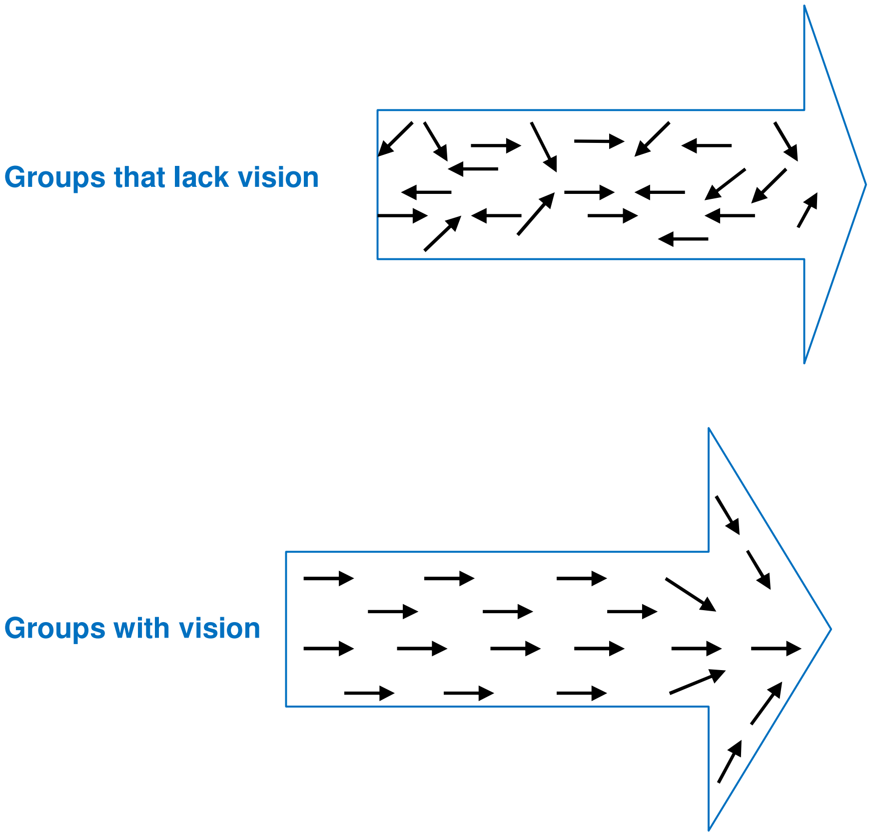


Figure 5: Groups without vision vs. Groups with Vision

(Source: Hughes, et al., 2006:414*)*

They are instrumental in using the vision of the business to “drive organizational change and performance”. The study shows that employees had aligned themselves to the vision of being the number one airline which was largely based on their sense of pride and passion towards the business. However, this was primarily because of their sense of team spirit and passion for the airline (which was the glue which kept employees working towards that vision).

Challenge the process

Leaders challenge the status quo by thinking outside the box. They are pioneers in their own right as they search for opportunities to innovate, grow and improve. They are experimental and are risk takers even though they may be subject to failure because for them taking the risk is worthwhile. This is the only way that companies can succeed or take huge leaps because high risk equals to high rewards. In challenging the process, leaders are able to learn from their mistakes which is a leader's mantra of "try fail, learn,try, fail, learn, try, fail, learn" (Kouzes and Posner, 2007:18). This also allows leaders to experiment with their successes and failures in order for their followers to learn. 'Challenging the Process' is an essential ingredient of organizational renewal (Kouzes and Pozner, 2007). The findings of the research paper indicates that the environment in which the employees worked in at *Airline X*, was not conducive for encouraging followers to think out of the box. A key feature of innovative leadership is for leaders to generate viable ideas, methods and solutions which can result in future ventures that could be profitable for the business.

Enable others to act

To be successful and to make dreams come true it is important that a leader has the support of an action-orientated, competent and accountable team in order for them to deliver extraordinary things in organizations. By engaging in the "we initiative" the leader is able to build trust, mutual respect and gain the confidence of the team by turning these followers into leaders themselves through empowerment. The leader develops trust and confidence so that the followers are willing to take risks. Kouzes & Posner (2007) argue that empowered people possess greater confidence and determination. Contrary to expectations, successful leaders realise that their power is not reduced when they empower others.

In order for a leader to empower employees he or she has to "delegate leadership and decision making down to the lowest level possible" (Hughes, et al., 2006:271). Another component of empowerment is to be able to develop and enhance the capabilities of one's followers. The study therefore places emphasis on the leader's ability to enable others to act through delegation and empowerment and will show that it was the collective will of followers, “the We initiative,” that carried the organization.

Encourage heart

During challenging times the leader must encourage the heart of their followers by caring and lifting the spirits of their followers in order to overcome challenges or obstacles. Acknowledgements of a follower’s achievements are important and this could be done through intrinsic and extrinsic incentives such as thank-you, awards, etc. The leader must be able to reward and celebrate in the accomplishments of employees. These gestures of appreciation are significant in order to build and enhance the collective identity of followers (Kouzes and Posner, 2007). In South Africa this collective identity is known as *Ubuntu*, which means togetherness. It is this collective identity or *ubuntu* “that can carry a group through extraordinary tough times” (Kouzes and Posner, 2007:19).

According to Kouzes & Posner’s (2007), an emphasis on ‘Challenging the Process’, ‘Enabling Others to Act’ and ‘Encouraging the Heart’ of the employees, allows for organizational sustainability. Hughes, et al. (2006:256) suggests that “many leaders appear to suffer from extrinsic motivational bias and falsely believe followers are more motivated by money rather than by job security, recognition and helping others”. The research paper shows that the leader’s fear factor prompted followers to attain success because of their commitment to the brand. The leader was unable to communicate effectively and recognize their commitment. As relationships are crucial to most businesses, it must be a two way street that fosters a two-way communication and one which rewards and celebrates the accomplishments of the employees and the business as a collective. It is therefore essential that a leader is able to engage in a relationship behaviour where he or she is able to: listen, encourage, facilitate, clarify and explain why tasks have to be done as well as provide support (Ibid). The study shows that the followers of *Airline X* had became reliant on each other, rather than seeking any support from the CEO.

2.4 Examples of Successful Leadership in the airline industry

The successful operation of any organization depends to a large extent on the quality of leadership as well as on nurturing stakeholder relationships. The examples below demonstrate that even though the industry is quite challenging, through good organizational leadership this can lead to the sustainability of airlines in the industry.

Southwest Airlines

One of the reasons why Southwest airline was successful in achieving profitability and performance was because of its leader. Herb Kelleher was able to lead because he had credibility and was able to entrust others to act and had shown that he cared about his employees (Gittell, 2005).

United Airlines

United Airlines leader, Gerald Greenwald, on the other hand, had adopted the approach of ownership. He had managed to foster a culture of inclusion throughout all employee levels by allowing them ownership. This was the first employee-owned airline (Ibid).

Virgin Airways

Richard Branson, founder and chairman of Virgin Airways, established a viable, sustainable and profitable international airline with his approach of pushing the margins whilst at the same time showing a firm commitment to customer satisfaction, innovation and quality service (Branson, 2005).

Ryan Air

According to Alan Ruddock (2007:35), Michael O'Leary, founder and owner of the most successful airline in the world currently, Ryanair, had the taste of success and liked it (Ruddock, 2007). O' Leary is described as being a very talented leader who was able to achieve success on his own. He was also a leader who had been able to put up his own money in the business (at risk). What made O'Leary stand out, according to

Ruddock (2007:35), was his ability to make sacrifices so that he could "feed his obsession". Another reason why the business grew and was successful is that O'Leary had been known for his ability to reduce costs within the business. He had a policy of working harder and smarter and had increased business operating hours. All of these factors resulted in an increase in the profit margins. Ruddock 2007:35) suggests that "success did not sate O'Leary, it fuelled him. O'Leary was always ready for the next challenge".

Easyjet

Stelios Haji-Ioannou, the founder and owner of Britain's biggest low cost airline, Easyjet, was known for his visionary and entrepreneurial style of leadership and allowed his followers to run the business. He was a risk taker and was not easily bored, he was a "dreamer who started businesses and allowed people to run them" (Jones, 2007:86). Stelios believed that "taking uncalculated risks are a privilege of an entrepreneur and one will have to recognise the strengths and weaknesses early in life" (Jones, 2007:227). Easyjet had employed over 10,000 people. Their success is attributed to their ability of making air travel affordable to millions of consumers and making a difference in the lives of these consumers.

Airlines 'Best practices

The abovementioned examples of successful airlines indicate that leadership can and does result in a profitable business. Surely those who want to invest in the airline industry must take heed of the lessons learnt from the past experiences of those airlines that did not get their leadership right. For example, the militaristic approach by Robert Crandall, CEO of American Airlines, did not produce a resounding amount of success for the business (Gittell, 2005). Like Crandall, the CEO of *Airline X* had adopted an autocratic type of leadership and was not able to win the trust and mutual respect of his senior management team and employees as discussed in *Chapter 4*.

A leader has to not only develop and foster internal relationships with employees, they must be able to forge and maintain relationships with outside stakeholders (aviation authorities, airlines, regulators, air traffic controls, suppliers, aircraft manufacturers, etc.) in a manner that is proactive and one that allows for the free-flow exchange of information. The Southwest airline example highlights the importance and value of maintaining and sustaining relationships with outside stakeholders as a crucial component to the sustainability of airlines. The other examples of United Airlines, Virgin Airways, Easyjet and Ryan air suggests that leadership is indeed paramount to taking an airline where it needs to be as well as to achieving profitability.

Conclusions

This chapter discussed the literature review on leadership, management, characteristics of leaders and leadership styles. What stands out from the understanding of leadership and the leadership styles is that whilst these definitions may vary, it is the behaviour that ultimately shapes and influences the follower's understanding or perception of their leader. The different leadership styles suggests that no one theory can be cast in stone as leaders should be able to adapt their behaviour to accommodate relationships that are established with respective followers (refer to paragraph 2.2.). Leadership is therefore an evolving practice and can be implemented in different ways. However, this should not be done to the detriment of the business.

The literature review revealed further that the establishment of relationships with external and internal stakeholders is essential in ensuring sustainability of an airline's operation.

CHAPTER 3: METHODOLOGY

This chapter provides an overview of the research methodology used in the study, viz. qualitative research and explains the reason for selecting this research design. The chapter identifies the selection of the sample population and specifies the interview design. The chapter also covers the data collection, validity and reliability of the research as well as the ethical issues. An analysis and assessments of the results are set out in *Chapter 4*.

As the research paper had utilized qualitative research techniques it is important to recollect that the interviews were conducted with former employees of *Airline X. Airline X wa*s the case study used to examine the topic of leadership and the role that it plays in an airline's sustainability (refer to *Chapter 1,* paragraph 1.2 for background information.). To reiterate very briefly, *Airline X* was a privately owned airline and had achieved a relative amount of success before it went out of business.

3.3 Methodology

3.3.1 Qualitative Research

The qualitative and quantitative research techniques enable a researcher to obtain data and allows for the observation of the same phenomena (White, 2002). "Qualitative research is not concerned with the measurement and quantification of the phenomenon but acquiring an understanding in the natural setting of the phenomenon through observation" (Eldabi, et al., 2002:66). As Miles and Huberman (1994:10) point out, qualitative research generates "'thick descriptions that are vivid, nested in real context" and provides for in-depth analysis rather than offering "snapshots" of the phenomenon being studied. According to Van Manen (1977), cited in Miles & Huberman (1994:10), qualitative research allows for flexibility and enables the researcher to locate how people attach meaning to the processes and structures in their lives, i.e. "their perceptions, assumptions, prejudgments and presuppositions".

Qualitative research uses methods such as interviews and observations and has an emphasis on "distilling meaning and understanding the phenomenon" (Eldabi, et al.:66). The researcher used qualitative research methods as this allowed the researcher to conduct interviews with the key players. Quantitative research could not be carried out as the airline is no longer in existence. The researcher was therefore able to conduct in-depth interviews with former employees. During the interview process, the researcher was able to obtain and distil meaning from the interviewees by taking cues from what they were articulating and from their body language. The qualitative data was obtained from interviews which were conducted with former employees, viz., the senior managers of *Airline X*. Eleven questions (refer to *Appendix 2*) were drawn up and presented to the Interviewees (refer to *Appendix 3-9*) so as to ensure that the interviews were more structured rather than being free-ranging (White, 2000). The researcher's role during the interview process was to set the tone of why the study was being undertaken as well as to engage the interviewees in order to obtain clarity on the leadership issues of *Airline X*. By adopting this approach the researcher was able to have a fruitful discussion and an exchange of information with the interviewees. The researcher therefore sought to understand the leadership challenges of *Airline X* and how it affected the business. The interviews conducted helped the researcher to understand how individual managers interpreted the airline business and the environment in which they worked (Cohen and Manion, 1989:8). Put differently, it allowed further insight into the complex world of the "lived experience" of the senior managers of *Airline X (*Schwandt, 1994:118).

3.3.2 Sample Population

The researcher choose the sample population on the basis of purposive sampling, which allows the researcher to hand pick the sample population which was deemed as vital to delivering "the best information in order to satisfy the research objectives" (White, 2000:53) as outlined in Section 1.4 and 1.5. The interview was conducted with six senior managers and one senior pilot of *Airline X* (refer to *Appendix 3-9*) all of whom had direct experience and were part of the leadership of *Airline X*.

3.3.3 Interview Design

The emphases of the structured questions were designed to enable respondents to reflect upon their experiences at *Airline X* and to determine the core values of the organization as well as the role and importance of leadership and the leadership style within the business. Questions were also structured around five essential roles and functions of a leader, as defined by Kouzes and Posner (2005), namely a leader's ability to:

- ❖ Model the way (leading by example);
- ❖ Inspire a shared vision (the dream/vision of the organization);
- ❖ Challenge the process (encouraging others to think out of the box);
- ❖ Enable others to act (building trust and empowerment); and
- ❖ Encourage the heart (encouraging yourself and others).

The researcher did not want to limit the questions. By limiting the number of questions, this would not have enabled the researcher to obtain clarity for answers that were necessary to support the objectives of the dissertation. The first question established the core values that guided the organization. This was followed by Question 2 about the leader's ability to give voice to the core values of the organization. Question 3 obtained information about the predominant leadership style in the organization and assessed whether this affected the performance culture. Question 4 related to the leader's ability to lead by example as well as determined whether leaders were able to establish clear guidelines. It must be noted that Questions 3 and 4 were designed around seeking to obtain nominal data type answers, Yes, No or other. Having a vision is very important for any business and question 5 addressed the ability of the leader to inspire a shared vision to achieve the dream of *Airline X*. By challenging the process, Question 6 examined how leaders encouraged others to think outside the box and the success of such initiatives. Question 7 emphasised the inclusivity of the organization by differentiating between it being an "I" or a "We" business. The question also examined whether leaders were able to build trust and empower others to act. Question 8 established how leaders encouraged others and themselves. This was followed by Question 9 which examined the challenges of the organization and how these challenges were dealt with. Question 10 assessed the shortcomings and successes of the organization and what leaders could have done differently. The last question, wrapped up the questionnaire by examining the lessons to be learnt from the experiences of *Airline X*.

3.3.4 Data Collection

Primary Data Collection

Interviews were conducted with key personnel to obtain and collect data from the respondents about the leadership issues within *Airline X*. The researcher, as a previous investor of the company, was able to gain insights into the attitudes and experiences of the leaders, management and employees of *Airline X* in a practical way, including the workings of the different business units (during its existence).

The Use of Secondary Data

The study also obtained data from analysis of unobtrusive documents such as reports, official records as well as published information. By using a combination of interviews and documents (business plans and reports) as sources of information, the researcher was able to use different data sources to enhance the validity of the research paper.

3.3.5 Validity and Reliability

According to White (2000), it is crucial that a researcher is able to “build validity and reliability” into the research design. Validity enables the researcher to determine whether they were able to answer the dissertation’s objectives. This study has been able to demonstrate that leadership does play a crucial role in the sustainability of an airline’s operations.

In terms of reliability, this emphasises whether the research is consistent. It also provides an indication as to whether another researcher will be able to use the research design of a researcher and “obtain similar findings” (Ibid). It can be said that this study can provide another researcher with the design of exploring the role of leadership in a specified company and could be extended to include not only senior managers but also middle and lower level managers. It is important to note that whilst researchers may find similar findings, they can and might differ in regards to their conclusions and interpretation of the data obtained (White, 2000).

3.3.6 Ethics and Confidentiality

This research paper complies fully with the ethical and research guidelines as specified by the University. The researcher has reassured Interviewees that their names would be kept confidential and in line with this, only their roles were identified. The cover letter (refer to *Appendix 1*) reinforced the researcher's intentions.

Conclusion

This chapter described the research design and methodology in detail, including the population sample, data collection and instrument as well as the ethical considerations. The chapter has examined the research techniques used to obtain results to support or reject the dissertation statement.

CHAPTER 4: ANALYSIS AND ASSESSMENT OF RESULTS

This chapter presents a detailed account of the results obtained from the questions (refer to paragraph 3.3.3 and *Appendix 2*) posed to the former employees and senior management of *Airline X*. The results are presented in the context of analysing the leadership issues within *Airline X*, viz:

- organizational values;
- the leadership styles and relationships;
- the five practices of successful leadership [as outlined by Kouzes and Posner (2007)];
- the challenges and successes of the airline; and
- lessons to be learnt.

The data is presented under the identified headings mentioned below.

4.1 Core values of organization

Interviewee *A* indicated that the core values that were prevalent at *Airline X* were "passion, pride, integrity, discipline especially financial and customer satisfaction". This same sentiment was echoed by Interviewee *D* who suggested that the values were "honesty, integrity, service excellence, safety, customer service and on time performance". According to Interviewee *B*, it was the teamwork "from the staff" that resulted in "respect and values for the organization". Interviewee *F* just felt the values were based on "passion" whereas Interviewee *C* said that there "was a strong drive to succeed". Interviewee *G* felt that it was the sense of pride and passion for the airline that guided the organization as well as a "great sense of self-achievement".

Analysis

Collins & Porras (1996:66) suggest that "companies that enjoy enduring success have core values and a core purpose that remain fixed while their business strategies and practices endlessly adapt to a changing world". From the varying answers provided by the respondents, it is clear that the core values of the company were much clearer to some senior managers and not to others. Interviewees *A* and *D* were clear about the core values of *Airline X* which included customer service, integrity, service excellence, safety, honesty and integrity which are important in any business to establish the guidelines by which they expect employees to conform to. Others saw passion, respect and pride as being their guiding principles. These core values "are the essential and enduring tenets of an organization" as they are a "small set of time guiding principles" which "have intrinsic value and importance to those inside the organization" (Ibid: 68). From the above and varying answers, as stated by Collins & Porras (1996), it is important that the business ensures that its core values and core purpose are fixed. With so many divergent views, it is clear that everyone had a different perspective of the core values.

4.2 Leadership – giving voice to values

Interviewee *A* suggested that there was a "lack of communication in values to the staff, as it was more of a top down approach". This view was also supported by Interviewee *B*. Interviewee *A* stated that the "CEO was not able to give voice to the values". It was the drive, according to Interviewee *C* that "brushed off onto managers to never give up". However, Interviewees *B* and *C* were of the opinion that there was mistrust of the CEO and that there was a lack of integrity amongst a few of the top management individuals. In a difference of opinion, Interviewee *D* stated that the values of the airline was supported by management but was not carried out by other departments. This was because of a lack of co-ordination amongst outside branches. So too did Interviewee *G* indicate that "leaders were able to give voice to the values because they had more of a hands-on approach and an open door policy as they listened and acted to situations. It seemed like there was no bureaucracy and that the action taken was within reason". Interviewee *E* felt that being on the same level as the rest of all employees, "i.e. being one of the guys" creating a flat structure, was the approach to adopt, to deal with senior managers on the team. In other words, Interviewee *E* wanted to be available to staff whilst at the same time not tolerating being lied to. Interviewee *F* felt that leaders had their own style of management.

Analysis

According to Hughes, et al. (2006:312) values do play an instrumental role in the vision of the leader and serve "as a moral compass" that aligns "the action of leaders and followers with change initiatives". Based on one of the four elements of transformational leadership, a leader should be able to communicate their vision and "elevate the importance of the visionary goal to employees" (McShane and Von Glinow, 2005:430). The responses from the majority of the respondents seem to indicate that the leader was not able to communicate the values of the organization and there was no common ground on the values of the organization. It seems that the lack of trust and mutual respect would have not allowed employees to feel that the CEO was able to legitimize the vision of the organization. Two of the respondents suggested that as leaders, they were able to give voice to the organizational values. It can therefore be argued that this may or may not have come from the CEO himself but rather was generated because of working towards the vision of being the number one airline.

4.3 Leadership style in the organization

Interviewee *A* indicated that the predominant leader style was entrepreneurial and encouraged staff to be innovative" whereas Interviewee *B* felt that the leader was a "control freak" and liked to micromanage. According to Interviewee *C*, the leadership style was "autocratic and ruled by force and fear factor". The predominant style for Interviewee *D* was dictatorial led by intimidation. Interviewee *E* suggested that the leadership style was one which was "not bureaucratic for senior managers". Interviewee *E* also indicated that he had a reputation for not having the ability to delegate work. The initial leadership style for Interviewee *F* was one of subservience and because of this approach the organization was led in a firm and fair way. However, once the CEO gained confidence his leadership style changed as he began to dictate. Interviewee *G* indicated that the organization was "driven by controlled management as managers had to follow whatever the leader had wanted because of his bull terrier approach to things".

All the Interviewees indicated that the leadership style had affected the performance culture of the organization. Interviewee *A, B and C* stated that the organization was ruled by fear factor. Some of the respondents indicated that the fear factor resulted in wanting to hide things "if something went wrong". The fear factor also created negativity. Interviewee *A* added that because the leader had micromanaged everything even to the point of controlling everything because of his "savings driven" approach, this led to staff feeling like the leader had mistrusted them which was felt by many. According to Interviewee *D,* the CEO was not supportive of people and the explosions which he had with individuals had been abnormal. This had led to resignations. "The staff turnover rate was greater than 40%". Interviewees *E* and *F*, pointed out that the pyramid structure of the organization was not good, "it was a flat structure and too big to handle". Interviewee *F* added that "problems had started with the growth of the airline and the structure did not change". The bull terrier approach according to Interviewee *G*, was one in which the leader had wanted people to follow whatever he wanted. Performance was affected because leadership had rubbed off onto management.

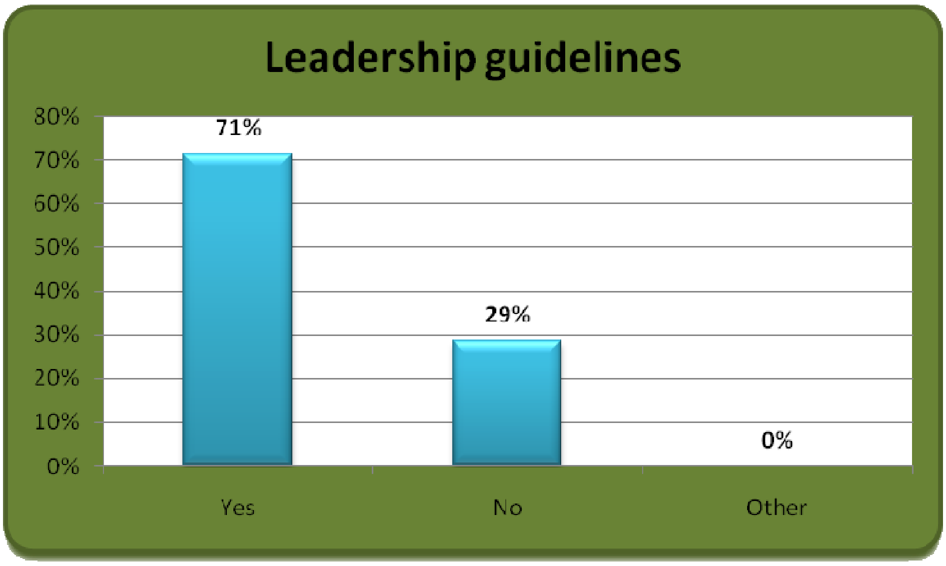
Analysis

The majority of the respondents indicated that the leadership style in the organization was autocratic/dictatorial and driven by the CEO's fear factor mentality. In the words of one of the respondents, it was a "bull terrier" approach. "Coercive power stems from the capacity to produce fear in others" by threatening to punish an individual this can invoke compliance (Vecchio, 2006:126). Individuals may fear loss of a job, a demotion, being suspended or even denied emotional support. According to Vecchio (2006) coercive power is used in organizations to get individuals to comply, e.g. turning up at work on time, meeting deadlines, etc. It would seem that whilst respondents have not specified the nature of the punishments that the CEO's coercive power had on them, it is clear that this power had forced them to get the job done.

The Vroom-Yetton Leadership model identifies five styles of decision-making Autocratic I (AI), Autocratic II (AII), Consultative (CI), Consultative (CII) and Group (G) which basically indicates the type of behaviour that leaders engage in when interacting with their followers. The CEO's behaviour was predominantly Autocratic I (AI), in other words, a leader/manager will solve a problem based on the existing information without relying on others whereas Autocratic II (AII) relies on more information from their subordinates. It would seem that there was no reliance on encouraging subordinates to provide their input (ideas and suggestions) which is characteristic of the Consultative I (CI) style (Vecchio, 2006). In essence, the CEO was selective in sharing information with top management and thus it can be suggested that participative leadership was not practiced by the leader.

All the respondents indicated that the autocratic or dictatorship leadership had impacted upon the performance culture of the business. This is very apparent especially as the airline had a staff turnover rate of 40%, which was almost half of its personnel. By not paying attention to the organizational structure and culture and finding solutions to problematic areas, it seemed likely that *Airline X* was not going to live up to its dream, in the long-term. By applying an autocratic leadership style, this seems to have produced a "great quantity of output" in the business and was "accompanied by decreased quality and employee satisfaction" (Vechicco, 2006:171). This is reflected in the case of *Airline X*, with the high turnover of its human capital. The lesson to be learnt is that by adopting a democratic leadership style, this can result in "greater employee satisfaction and high-quality output" (Ibid). This is not to say that autocratic leadership must be abandoned, as shown it can be used rightly to enforce compliance and when used it must be done in a manner that is productive so as to enhance business operations.

4.4 Model the way – leading by example



71% of the respondents indicated that the leaders in the airline were able to establish clear guidelines about the common principles and ideals of the organization. 29% were of the opinion that this was not the case. Interviewees *A* and *G* said that the leadership was able to initially establish guidelines for the organization "as employees had tremendous pride for the airline and were proud to be serving the airline" and "were driven by commitment". However, leading by example was difficult because of the mistrust issue as a result of the CEO. A similar view was also shared by Interviewee *B.* Guidelines were established on the basis of respect and commitment according to Interviewee *E* because of being able to be on the same level of employees "being one of the guys". Interviewee *F* suggested that guidelines were established because of the "we" behind the initiatives and their ability to keep their fingers on the pulse of things. However, Interviewees *C* and *D* felt that there was no leadership. Interviewee *C* indicated that there "was a drive to succeed but there had been a lack of integrity amongst some managers".

Analysis

The positive feedback from 71% of the respondents indicates that some members of top management had used the passion of the airline as the common denominator in getting people to achieve the ideals of the organization, even though 29% felt that this was not the case. There seems to be a bit of contradiction in regards to the values and guidelines of the organization. This is because whilst the CEO was able to instil a passion for the brand in its early days by establishing common guidelines which united employees, it can be argued that the mistrust issues got in the way of his ability to lead by example. A leader should be able to "walk the talk" in leading by example, but in this instance it seems that it was the collective will and team effort who were walking the talk and not the CEO.

4.5 Inspire a shared vision – the dream/vision of the organization

Interviewees *A, B, C, E, F* and *G* all seemed to suggest that the dream of the airline was to be the best airline in South Africa and regionally (e.g. the Zambian route). In addition to this respondents suggested that the airline sought to provide top quality customer service and to ensure on time delivery. Interviewee *B* suggested that the "dream was to brand the airline as a perfect brand in order to capture market share from SAA (South African Airways)". Both Interviewees *A* and *C* indicated that the dream was cut short. In comparison, Interviewee *D* said that there no dream or vision for the airline and employees needed to have a "five year vision" and top management were not committed to strategic planning. Interviewee *G* made an interesting observation that everyone had shared the dream of being the best "except the leader".

Analysis

Based on the responses from the respondents it seems that the leader had displayed one of the four elements of transformational leader, i.e., the ability to create a "strategic vision of a realistic and attractive future that bonds employees together and focuses their energy toward a super ordinate organizational goal "(McShane and Von Glinow, 2005:429). Working towards the goal of being the number one airline and seeking to capture market share from other competitors seems to have had bonded and motivated employees to achieve this objective. With regards to the other elements of transformational leadership, viz., communicating and building commitment to the vision, the CEO had managed to successfully frame the message which appealed to employees, i.e. to be the best. It was this notion that had built some kind of commitment from the employees in attaining and workings towards *Airline X's* vision. This vision as clearly pointed out by some respondents had to be strategic, and long-term planning has to be envisioned in order to provide the strategic direction for the business in the medium to long-term. However, this was clearly lacking in the business.

4.6 Challenging the process – encouraging others to think out of the box

Interviewees *A, B* and *D* suggested that not much or nothing had been done in order to encourage innovation, motivation and growth of the staff. There was nothing tangible to keep employees motivated. Interviewee *B* specified that initiatives were merely taken because of "fear of the CEO which enabled employees to act as if the company was their own". According to Interviewee *D*, "encouraging innovation or staff growth was a waste of time in the organization because of the high turnover rate". Interviewee *E* indicated that keeping costs down was the emphasis of the airline and obtaining three quotes for everything was a priority. The Interviewee added that training was provided when the business started. This view was supported by Interviewee *G* who stated that the programmes (including orientation) were given to pilots, cabin crew and ground staff in different departments. This was because it was necessary to keep staff motivated. Interviewee *C* suggested that they had to be devious and encouraged training, trust and respect amongst employees and they wanted to protect their employees from the CEO, i.e. avoid direct interaction. According Interviewee *F*, new initiatives were tried on a trial and error basis. The Interviewee noted that they had used selective information which was positive to convey to the CEO and added that the success of such initiatives was only driven by the "excellent team and personnel". It is interesting to note that Interviewee *A* felt that any successes from such initiatives "was hampered by concern as management was dealing with thorny issues e.g. fines and resulted in them "doing nothing".

Analysis

As indicated, leaders who challenge the process are able to make room for and encourage others to think outside the box by allowing them to look for opportunities to innovate, grow and improve. Whilst only one respondent indicated that initiatives were taken on a trial and error basis, within the organization this component of exemplary leadership, did not produce any successful initiatives. There was no display of achievement oriented leadership which encouraged employees to seek "their peak performance" (McShane and Von Glinow, 2005:423). For a business to be successful, it must make provisions for and allocate the necessary resources to invest in training and development programmes as well as provide motivation (intrinsic and extrinsic) for its employees. This cannot only be done at the period of orientation as is evident for *Airline X*. Training and development in such an industry is vital more especially as customer service, technical failures, etc. can make or break the brand and image of the business. Training and development must be ongoing. Investment in human capital is a vital component to any organization even though there are risks associated with the fact that some employees may move on to other opportunities.

4.7 Enabling others to act – building trust and empowerment

The majority of the respondents (*A, B, C, D, F*, and *G*) except Interviewee *E,* indicated that the organization was premised on the basis of being an "I" organization. This was attributed to a CEO who had wanted to micromanage rather than macro-manage. Interviewee *F* specified that the "We" in the organization "united employees because of the passion for the airline and the brand" and this "led to the culmination and growth of the organization". Trust seemed to be lacking in the organization according to Interviewees *A, B* and *F*. The leader, according to Interviewee *B,* "was not able to build trust nor was he able to control his emotions or say a kind word" and thank employees. It was therefore difficult for him to establish relationships as the CEO was like a "bull-terrier, if you wanted loyalty you were better off buying a dog". Unity was created according to some of the Interviewees as a result of the negativity for the leader and because employees cared for each other. Interviewee *G* suggested that it was a case of "damned if you do and if you don't". Interestingly, Interviewee *E* felt that there "were no friends, it was a dog eat dog" and the business had to deal with the rival competitor, SAA (South African Airways).

Analysis

According to Kouzes and Posner, cited in Hughes, et al., (2006:524), "leaders know that while their position may give them authority, their behaviour earns them respect. Leaders go first. They set an example and build commitment through simple, daily acts that create progress and momentum". Hughes, et al (2006) suggests that it is very difficult for followers to trust a leader who they do not see as credible and comes across as being knowledgeable about business affairs. This lack of trust had been a recurring problem within *Airline X*. Kuper (2006:39) proposes that by creating trust, it ensures that a business can achieve "profitability, capital efficiency, share price, innovation, staff retention and other internal measures" if they are able to "secure a bond between" their "company and its customers, suppliers, staff and other stakeholders". It would seem that this breakdown of trust by the CEO resulted in the inability to sustain successful and fruitful relationships both within the company and externally. By working together and helping others, leaders can use this within a work setting to create solidarity, toleration and legitimacy of actions (Kuper, 2006).

The common thread of mistrust seemed to be a trend that had featured in some of the interviewees' responses. If one does not command and give trust to their followers, it is difficult for any leader to expect it in return. Whilst the CEO was not able to engage in participative leadership, it seems that some of the managers were able to obtain goals through team work and effort.

Successful leaders must also have the ability to "delegate leadership and decision making down to the lowest possible level" which was problematic for the CEO himself. There was also a lack of empowerment within *Airline X*, as there was not much investment into "resources, knowledge and skills necessary to make decisions" (Hughes, et al., 2006:537) It can be said that businesses should encourage participative leadership. This is because it allows the leader to work with followers in a consultative way by taking their views, suggestions and recommendations into consideration, when it comes to decision-making (Hughes, et al. 2006:381). By adopting this approach, it enables and encourages others to act in the organization thereby enhancing and building long-term relationships which adds overall value to the business.

4.8 Encourage yourself and others

Whilst encouragement was difficult, Interviewees *A, B, D,* and *F* suggest that this came from the support of fellow staff members and a sense of pride in the airline. Further to this, in terms of celebrating success this was done independently and not as a collective of the organization. Interviewee *B* suggested that "if we celebrated it was without the CEO or top management" whilst Interviewee *F* had no recollection of success and if it was celebrated, it was done in a fragmented way. Interviewee *C* suggested that when success was achieved (e.g. expansion of routes or for the 767) it was done merely by "clapping, tearing and hugging". For Interviewee *D*, supporting one another was a "coping mechanism" because of the constant frustration and feeling of being overwhelmed which led to one resorting to drugs (Prozac and Xanor). Interviewee *G* suggested that success was measured through meeting happy customers which uplifted one's spirits. Success, according to Interviewee *E,* was achieved through not bending to the "union's demands" and the launch of flights to London.

Analysis

It would seem that supportive leadership behaviour was common amongst some management team members who valued the "we" collaboration and relied on it as a coping mechanism in the organization to encourage both themselves and others. There were also no events which involved the entire organization in celebrating pinnacle moments of success within the organization, e.g. launch of the flights to Zambia, London, etc. These events could have been used as a mechanism to renew the CEO's commitment to employees. According to Hughes, et al., (2006:460), "leaders can play a constructive role in developing mutual supportiveness and cohesiveness among subordinates, and their own open and frank communication with subordinates is especially important when a situation is ambiguous as well as stressful".

4.9 Challenges of the organization

The "bull terrier" style of leadership of the CEO in dealing with all stakeholders, according to Interviewee *A*, is what kept competitors and employees on their toes. For Interviewee *A*, the mistrust of the CEO and wanting to control all aspects of the business made it difficult to work, especially as he was not an expert. Interviewees *A, C,* and *E* indicated that there were external challenges because of the legislation and being compliant, as well as dealing with bodies such as the SACAA (South African Civil Aviation, Authority), IATA (International Airport Transportation Association), (International Operational Safety Authority) and other airline competitors e.g. British Airways (BA). Interviewee *E* also commented that it was easier to deal with the aviation authorities in the UK and London rather than dealing with SACAA. It is worth noting that Interviewees *A, C, E, F* and *G* all specified the financial constraints and lack of resources of the business. Interviewee *B* was more specific and pointed out that sales and marketing was considered to be a waste for the CEO and in dealing with this challenge, one had to use one's own initiative and take decisions without the CEO's approval. The CEO according to Interviewee *B* didn't "know about 85% of the business operation" and the Interviewee also pointed out that it was difficult to challenge the CEO head on. This was because the CEO had a lack of respect for fellow staff and had an aggressive nature. For Interviewee *C,* the business operated mostly by adopting a crisis management approach and making a plan to deal with obstacles. Interviewee *F* suggested that the challenge was in dealing with the fragmentation of leadership and the different branches of the company. The interviewee also indicated that as pilots they ensured that they adhered to the standards of pilots and safety regulation. Interestingly enough, Interviewees *F* and *G* pointed out that it was difficult for the business to retain and recruit talented individuals because of not being able to meet the competitive market rates. Despite this, Interviewee *G* suggested that they were able to "do some morale building and motivation".

Analysis

There can be no doubt that *Airline X* was in a sea of challenges, which made swimming against the tide increasingly difficult because of poor leadership and an inefficient organizational structure and culture. The continuous crisis management approach to dealing with problems had not allowed senior management to deal with the normal routine and daily challenges. Externally, the airline was not able to forge sustainable relationships with outside stakeholders which as demonstrated through the use of examples of successful airlines, are instrumental in the airline business. Losing credibility amongst these stakeholders can and does come at a cost to the business and in the case of *Airline X*, it was eventual closure.

4.10 Success and shortcomings of the organization

Interviewee *A, F* and *G* suggested that the success of *Airline X* was attributed to the passion, pride and commitment of the staff towards the company and the brand. The CEO's drive, i.e. "fight against all odds" is what kept the airline strong. In comparison, Interviewee *B* felt that the airline was successful because of the leadership capabilities of the second in command who was able to "compliment staff and deal with crises through the fire fighting mentality". Both Interviewees *B* and *G* felt the airline had achieved success because of the expansion of routes whilst Interviewee *B* added that it was also because of the launch of the 767 aircraft. Interviewee *C* suggested that success was a result of the strong maintenance team that operated on the basis of efficiency and productivity to support management. For Interviewee *G* success was because of the quality driven service, a hands-on approach and working together. The airline's ability to compete, against as well as act against SAA, is what drove success and enabled the airline to secure a turnover of over R1, 2 billion. The airline was self-sufficient. Interviewee *F* highlighted the excellent safety record of the airline, i.e. "no fatalities". Interviewee *D* felt that it was difficult to achieve success because there was no "external and internal relations". Employees were not inspired by collective leadership. The Interviewee added that to achieve objectives this had to be done through 'beg, borrow and steal' approach'. Success could not be attained because the "airline didn't pay to retain leadership".

With regard to the shortcomings of the airline, Interviewees *C* and *B* indicated that the CEO didn't have any people skills as he would resort to physical measures.

Interviewees *A* and *C* said that there was no organizational structure, governance respect and long-term vision/planning within the organization. Interviewee *C* added that the CEO didn't show any interest in the training and development of the staff. Another failure according to Interviewee *A* was the inability of the leader to transform or change the leadership style as the business grew. For Interviewees *B* and *G* communication was severely lacking, as Interviewee *B* suggested "Top Management was an Ivory Tower", there was an inability to "face clients and there was no trust". Even though the second in command had strong leadership qualities he had started to display tendencies similar to the CEO. According to Interviewee *F*, people were appointed to positions or given promotions by the CEO, not because they were qualified. The airline needed to employ skilled people as they required "sound managerial help and implementation". For Interviewee *G*, the airline didn't have the appropriate infrastructure and resources. The Interviewee added that there were "too few managers and no middle management structure" and everything was done on a "trial and error" basis.

Analysis

As the airline was able to make inroads and successfully obtain a profit of R1, 2 billion, expand routes, win awards, these are all a testimony to the fact that the airline was doing something right. Even though there were numerous ongoing internal challenges attributed to the CEO's leadership style, it is the passion and drive for the airline to succeed which was filtered down to all employees, which allowed for this marginal degree of success. Notwithstanding the high turnover of staff, it seems that irrespective of the fear factor culture which was wrongly used, the "we" collective attitude is what contributed to *Airline X's* resounding success in terms of expansion and profit. It was just a matter of time before the Ivory Tower was to come crashing down given its inability to address both the internal and external challenges. The catalyst of the technical incident is all that was needed to ignite the fire of the ongoing problems of financial constraints, lack of resources, inability to retain highly skilled person for appropriate positions, no middle management structure, etc.

4.11 Lessons for airline industry

Interviewee *B* indicated that leaders must be able to recognize and place importance on the role of their staff as well as encourage motivation and involve them in the core business. This view was also shared by Interviewee *C* who suggested that a company's biggest asset is its people and therefore it is important to invest in training and development. Interviewees *C* and *D* suggested that employees must be treated with respect as this encourages loyalty. For Interviewee *B* even though a leader needs to be authoritative, he/she must be able to be patient and understanding. According to Interviewees *B* and *D,* leaders must be able to allow individuals control and ownership. Interviewee *B* added that the business must be able to lead with integrity and honesty. Leaders must also ensure effective relationships with both internal and external stakeholders according to Interviewees *A* and *B*, especially with the relevant aviation bodies. Interviewee *C* highlighted the importance of having the appropriate and applicable systems, management structures, policies and procedures in place that are able to support business objectives. The Interviewee added that a leader must make room for collective decision making and take note of expert opinions (specialists). Interviewee *A* placed emphasis on catering for the huge input costs (capital and labour intensive) whilst at the same time maintaining low costs to the customer. Interviewee *A* also stated that is important for the airline to diversify its products. For Interviewee *F* much emphasis was placed on recognizing internal and external threats. This was further supported by the view that the airline business is very difficult to get into especially when competing against state subsidized airlines. Interviewee *F* was of the opinion that it is important to ensure that employees have the skills for the position that they are applying for and to which they are assigned. In the airline industry, according to Interviewee *F*, market research is crucial as this allows the business to understand the needs of the customer. More importantly, the Interviewee suggested the leader can outgrow the business. For Interviewee *G* an airline must have a sound human resources structure and has to establish a high set of standards and customer service should be 100%.

Analysis

Figure 6 below provides an overview of the internal and external challenges that must be taken on board by leaders in the airline industry to ensure continued growth and survival. This is an industry where the CEO cannot remain absent from providing strategic direction, it calls for the leader to adapt their leadership styles according to challenging situations as well as to have a hands-on approach to what is happening within the company. The ability to delegate, empower and lead with integrity and honesty whilst at the same time encouraging loyalty is what sets great leaders apart from mediocre leadership.

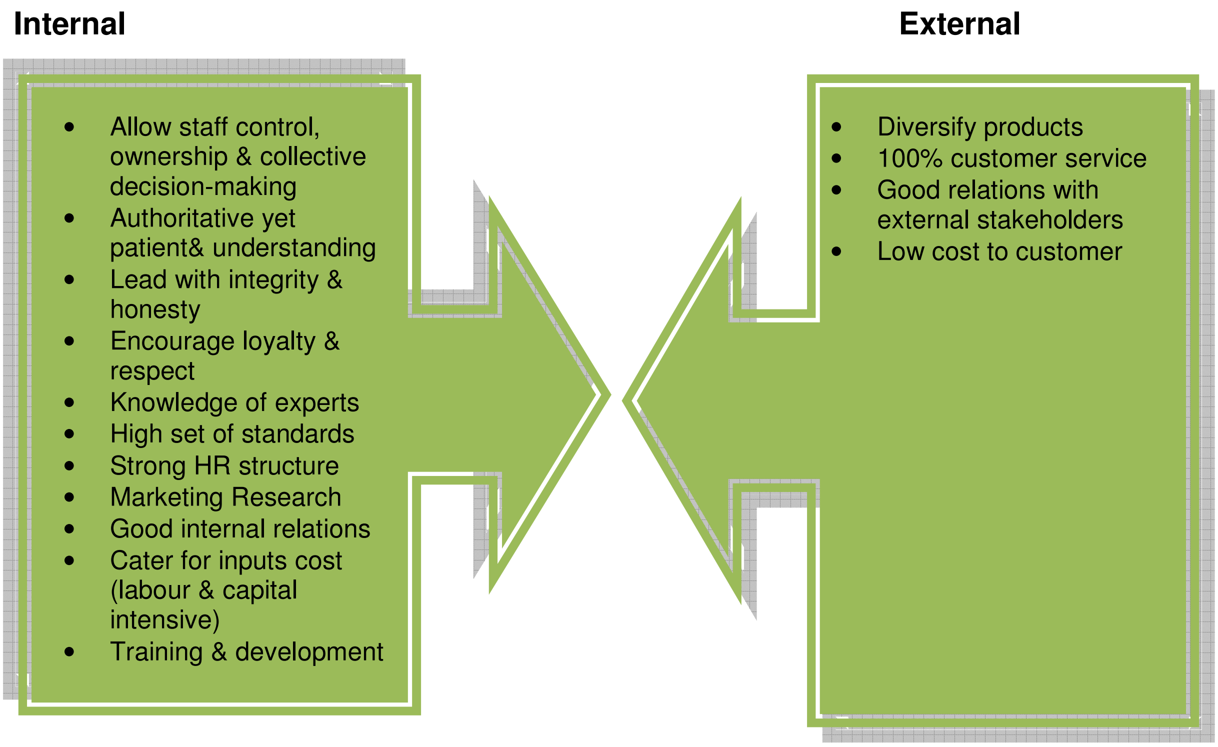


Figure 6: Lesson for Leaders of Airline Industry

Conclusion

This chapter described the data analysis and interpretation and discussed the findings with reference to the literature review. The data covered the organization's core values, leadership style, vision and mission, challenges, successes and shortcomings and lessons to be learnt from the *Airline X* experience.

As suggested by Collins & Porras (1996), it is imperative that even though a business may undergo transformation, a rethink and implementation of new business strategies and practices, the core values and purpose has to remain fixed. Businesses must also make certain that they are able to effectively communicate and give voice to the core values of the organization. This must be communicated to all employees by utilizing the various communication mediums (e-mail, newsletters, intranet, etc). An important lesson to be learnt from *Airline X* is that autocratic leadership, if used incorrectly, does lead to the demise of a business in the long term. Autocratic leadership, as demonstrated by *Airline X,* does not create a conducive and a healthy functioning business that performs at its optimum level. The theories of leadership suggest that there are many leadership styles. Business leaders have to remember that they are not restricted to adopting and practicing one set leadership style, this can vary and should be adapted to any given situation. Invariably leaders must be able to lead by example and "walk the talk" especially when getting followers to believe in his/her vision. Since human capital is indeed the heart and soul of an organization, training and development programmes are important as they provide motivation and are necessary to empower employees. Not making this a priority can lead to employees feeling demotivated and results in a high staff turnover. By adopting a participative leadership, this allows and encourages employees to feel that they are part of the consultative process and that their opinions, suggestions and recommendations are valued when it comes to decision-making.

Externally leaders operating in this industry have to diversity their products, and build and maintain good relations with external stakeholders to ensure excellent customer service. They must also have the right pricing strategy so that they are able to offer their products at a low cost to the customer. Internally, leaders must allow for the involvement of staff in decision making and control in their areas of expertise. Consideration should also be given to share ownership/shareholder options as this empowers employees to work hard as they would have a stakeholder in the business. Leading with honesty, integrity, and building mutual trust enhances the everyday relations with employees. A business has also to cater and make provision for numerous costs (labour, etc.) and cannot adopt a penny-pinching strategy that compromises all aspects of the business. Budgeting and long-term strategic planning are a must in this volatile industry.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

This concluding chapter of the dissertation presents the key findings of the research based on the discussions and interpretations of the management interviews. It also presents recommendations for further research.

5.1 Conclusions

The study found that leadership does play an instrumental role to the long-term sustainability of an airline operation and leaders must be innovative, visionary and strategic if they are to operate successfully in today's complex global market. Leaders who are unable to adapt their leadership style and behaviour within an organization will find that the organization will outgrow them. In the case of *Airline X*, the organization did outgrow the structure and the leader's management style.

Operating in today's modern and yet complex world across geographical boundaries, clearly demonstrates that the adoption of autocratic leadership has its uses but must be applied in a manner for compliance rather than out of fear. By adopting a democratic leadership style, this can result in "greater employee satisfaction and high-quality output" (Vechicco, 2006:171). When operating in such a dynamic industry, leaders must and should not turn a blind eye to successful strategies of those airlines that have got it right. For a business to achieve profitability and sustainability as demonstrated by Southwest airlines, they must be able to adopt a leadership approach which is participative. This is necessary as it empowers employees, and encourages innovation and creativity amongst them. This is indeed necessary if the business wishes to remain competitive and retain its competitive advantage. It goes without saying that successful leadership in the airline industry, or any other industry for that matter, depends on the leadership style that a leader employs within the organization. It is dependent on his/her ability to establish formidable relationships with internal and external stakeholders. The airline industry requires a different type of leader with a strong sense of commitment, tenacity and aggression in order to succeed.

Communication is paramount, because by keeping people in the dark this can create a minefield of uncertainty and insecurity which eventually impacts negatively on an airline's business. This is what also transpired in *Airline X* and leaders in this industry cannot afford to take this risk, since the aviation industry is a volatile business. Consequently, leaders must ensure that they have their "finger on the pulse" at all times.

According to Daft (2001), empowerment is also essential within an organizational setting as this directly impacts upon new ways of working. These include collaboration over competition and conflict, and the ability to use the concept of Knowledge Management which allows leaders to embark upon the culture of sharing information rather than hoarding it (Ibid). For example, the CEOs of major airlines, such as Herb Kelleher (Southwest Airlines) and Gordon Buthane (Continental Airlines) have displayed similar leadership characteristics of trust, openness and frankness. This is because they were able to lead through a top-to-bottom approach where their followers were able to interact with them and adopt similar leadership characteristics (Gittell, 2005). Bethune made it his job to get people talking to each other by breaking down the boundaries between functions. He also used incentives to encourage employees to work together (Ibid: 61). From the examples of Southwest airlines and United airlines, empowering individuals through incentives is also important as ownership allows followers to take pride and interest as they own the airline. This could have been adopted by *Airline X* and should be strongly considered by privately-owned airlines in South Africa. The ability to create value-added partnerships is what contributed to Southwest airline's success. The Southwest model teaches other airline participants that "relationships are critical for coordinating across organizational boundaries, just as they are critical for coordinating across functional boundaries" (Gittell, 2005:193). What seems to be evident as a result of the study's observations and findings is that leadership is important for the successful management and operation of any business. It would also seem that the sustainability of an airline operation is also reliant on the ability of the leaders and its management to have a comprehensive understanding of the airline industry and this should not go unnoticed.

With such a high turn-over rate, the question that needs to be asked is why top management had turned a blind eye to the seriousness of this issue. Was the board not able to step in? Surely this should have raised the alarm bells that the company had serious organizational issues that had to be addressed.

5.2 Recommendations for Further Research

In light of the findings, the researcher recommends that further research be undertaken on the following topics:

- An investigation into whether the structure of Airline X was congruent with the size of the organization, and
- A comparative study of sustainability and profitability between large established airlines and small private airlines.

5.3 Limitations of the research paper

The research paper only focused on the qualitative research technique and the sample size was small. A larger sample size would have allowed for a wider diversity of views in order to understand why the organization failed.

In addition to this, the researcher was intrinsically involved in the organization as a co-opted board member which allowed him access to the inside operations of the organization. Despite efforts to dismiss preconceived ideas, prejudices and assumptions, the researcher may perhaps have been subject to bias.

Conclusion

Although the findings of the study apply specifically to a small privately owned airline, they have valuable implications for other airlines and organizations, irrespective of size. A high turnover of staff is a serious concern and a warning. Communication, participation, integrity, motivation and leadership are core values in business.

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APPENDICES

Appendix 1: Letter to participants

Greetings.

As you are aware, I am pursuing my Masters of Management (Public and Development Management) at the University of the Witwatersrand and as part of my degree I am required to undertake research as part of my Master of Management studies. The questionnaire is conducted purely for academic research purposes and as part of the researcher's dissertation and completion of the degree.

The questionnaire has been crafted with the purpose of understanding the importance of leadership in the airline industry and how it contributes to the sustainability of the organization. The questionnaire has been structured around five essential roles and functions of a leader as defined by Kouzes and Posner (2005) namely, a leader's ability to:

(1) Model the way – lead by example;
(2) Inspire a shared vision – the dream for the organization;
(3) Challenge the process – encourage staff to think out of the box;
(4) Enable others to act – develop trust and confidence; and
(5) Encourage the heart (motivation, etc).

The questionnaire seeks to determine how leaders were able to empower others and capture the dream of the organization. It also seeks to determine what where the challenges for *Airline X* and what lesson can be learnt from these.

I would like to thank you for your participation and assistance, it is most appreciated.
Yours faithfully

Reggie Naidoo

Appendix 2: Organizational leadership Questionnaire

1. What would you describe as the core values that guided the organization?
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2. Was the leadership able to give voice to these values?
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3. What was the predominant leadership style in the organization and did this affect the performance culture of the organization?
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4. Was the leadership able to establish clear guidelines about the common principles and ideals of the organization and were they able to lead by example?
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5. What was the dream for *Airline X* as an organization and to what extent were the leaders able to inspire a shared vision to achieve this dream?
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6. By challenging the process, what did you do as the leaders of the organization to intentionally encourage innovation, growth and improvement in the staff? What were the successes of such initiatives?

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7. To what extent was the organization an “I’ organization and to what extent was it a ‘we’ organization? What did the leaders do to build trust and empower others in the organization’s team, i.e. enabling others to act?

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8. What did you do to encourage yourself and others during the hard times and how did you celebrate success?

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9. What were some of the challenges the organization faced and how did you deal with them?

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10. What were some of the major successes of the leadership at *Airline X* and what were some shortcomings? What are some things that you think you could have done differently as leaders of *Airline X*?

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11. What lessons are there for other organizations especially those in the airline industry, from the *Airline X* experience?

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Thank you very much for taking part in this study.

Gratefully,

Reggie Naidoo

Appendix 3: Senior Management Interview (Interviewee A- Finance)

Senior Executive

1. ***What would you describe as the core values that guided the organization?***

The core values that guided the organization were passion, pride, integrity discipline especially financial and customer satisfaction.

2. ***Was the leadership able to give voice to these values?***

There seemed to be a lack of communication in values to the staff, it was more of a top down approach. The CEO did not give voice to the staff on these values.

3. ***What was the predominant leadership style in the organization and did this affect the performance culture of the organization?***

The organization was driven by an entrepreneurial style which had encouraged staff to be innovative.

Yes, it did affect the performance culture of the organization. However, staff felt inclined to be innovative out of the fear factor and to avoid getting into trouble with CEO. As a result of this, if something went wrong in the business it would have been hidden. It would have been more beneficial for the business if the leadership encouraged openness. The Fear Factor culture had filtered down to management. People felt that they were micromanaged. There was immense pride in what *Airline X* did. Added to this the leader had a wanted everything to go through him. This is because of his "savings driven" approach from anything to matters from aircrafts to stationery. This resulted in staff being felt like the leader mistrusted them and that is why he had done everything himself.

4. ***Was the leadership able to establish clear guidelines about the common principles and ideals of the organization and were they able to lead by example?***

Yes, the leadership was effective in establishing guidelines as employees had tremendous pride for the airline and were proud to be serving the airline. Yes, some leaders were able to lead by example but the lack of trust by the CEO seemed to be very discouraging for senior management.

5. ***What was the dream for Airline X as an organization and to what extent were the leaders able to inspire a shared vision to achieve this dream?***

The dream was to be the best and number 1 airline in South Africa. However, this dream was cut short because of the airline accident.

6. ***By challenging the process, what did you do as the leaders of the organization to intentionally encourage innovation, growth and improvement in the staff? What were the successes of such initiatives?***

As leaders we didn't do a lot to encourage innovation and growth. No subsidies for the staff because of the issue of staff abusing these. With regard to training programmes, there was nothing concrete in this department to enhance or keep employees motivated. With regard to making improvements on staffing issues, we did try to encourage them to make suggestions. However, it would have seemed that management were more concerned with thorny issues that dealt with dealing with fines which was time consuming, i.e. "that ended up in us doing nothing".

7. ***To what extent was the organization an "I' organization and to what extent was it a 'we' organization? What did the leaders do to build trust and empower others in the organization's team, i.e. enabling others to act?***

The organization was a "we" organization in the sense that there was passion and pride and a challenge to succeed because it was the only independent airline in South Africa at the time. However, it was an "I" organization because of the CEO's character. It was difficult for the leaders to build trust and empower others because of the CEO's approach and need to oversee everything.

8. ***What did you do to encourage yourself and others during the hard times and how did you celebrate success?***

It was difficult to encourage others but encouragement came from the sense of pride for the airline. There was no celebration for success.

9. ***What were some of the challenges the organization faced and how did you deal with them?***

In terms of the leadership challenge it was fairly difficult, because of the “bull terrier” mentality of dealing with all stakeholders by keeping competitors on their toes. The CEO’s personality of mistrust had lead to him doing everything himself and wanted to control even in areas where he was not an expert. The CEO saw “compromise” as weakness. These challenges where further exacerbated by the financial situation which was volatile and global pressures. Consideration had to be given for compliance to legislation. Also red tap attributed IATA. Unfair competition from state owned airline, SAA.

10. ***What were some of the major successes of the leadership at Airline X and what were some shortcomings? What are some things that you think you could have done differently as leaders of Airline X?***

The successes were largely attributed to the passion and pride that staff felt towards the company brand. In addition to this it was the entrepreneurial style of leadership which had kept the airline going strong and adopting a spirit of “fighting against all odds”.

With regard to the shortcomings, the airline had not evolved from the time of its start up to becoming a corporate as it didn’t transform or change its leadership style. There was no trust, governance or structure.

11. ***What lessons are there for other organizations especially those in the airline industry, from the Airline X experience?***

The lesson to be learnt is that it is important for leadership to keep on good terms with external stakeholders such as the CAA. A leader has to also be able to ensure diversification of products. They must also take on board the huge input costs (capital and labour intensive) of the airline versus the low cost to the customer.

<u>Appendix 4</u>: Senior Management Interview (Interviewee B- Marketing)

Senior Executive

1. ***What would you describe as the core values that guided the organization?***

There seemed to be teamwork from the staff with regard to respect and values for the organization.

2. ***Was the leadership able to give voice to these values?***

Leadership was not able to give voice to these values from the top. Initially it seemed that the door was open to giving voice to the values; however there was no downward communication. It seemed that the team was kept in the dark and a lot of mistrust was generated especially in regard to the finances of the organization.

3. ***What was the predominant leadership style in the organization and did this affect the performance culture of the organization?***

The predominant leadership style was one in which things were micro managed. The leader seemed to be a “control-freak” and others seemed to have no control over anything.

Yes, it affected the performance of the organization in that performance was largely driven by “fear-factor” thereby creating negativity. If there were disagreements there seemed to be “no-fair judgement”. There was a lot of impatience, screaming and shouting which produced a rather tensed environment.

4. ***Was the leadership able to establish clear guidelines about the common principles and ideals of the organization and were they able to lead by example?***

Yes, the leadership was able to initially set the parameters for the guidelines of the organization. However, it was difficult to lead by example especially when there was mistrust which was largely generated by the head of the organization.

5. ***What was the dream for Airline X as an organization and to what extent were the leaders able to inspire a shared vision to achieve this dream?***

The dream was to brand the airline as a perfect brand and to take the market share from SAA and to be the strongest airline in the domestic and regional market. Leaders were able to inspire the dream for example, it was realized, that the Zambian Route was a very successful dream. The dream was cut short.

6. ***By challenging the process, what did you do as the leaders of the organization to intentionally encourage innovation, growth and improvement in the staff? What were the successes of such initiatives?***

Within the marketing department there seemed to be no motivation. With regard to conferences the leader didn't know about these. Initiative was taken because of the fear of the CEO which seemed to enable employees to act if the company was their own.

7. ***To what extent was the organization an "I' organization and to what extent was it a 'we' organization? What did the leaders do to build trust and empower others in the organization's team, i.e. enabling others to act?***

The organization was completely "I", that is, "him and only him". The leader saw himself as the only person being knowledgeable and thought everyone else was stupid. The other departments operated without the CEO and saw themselves as a "we" organization so *Airline X* operated on the basis of "We" versus "I". There was no trust, the leader was not able to build trust, nor was he able to control his emotions or say a kind word and thank you to his employees. He was like a "bull-terrier". If you wanted loyalty you were better of "buying a dog". Unity was created because of negativity against the leader and because employees cared about each other.

8. ***What did you do to encourage yourself and others during the hard times and how did you celebrate success?***

I didn't need to encourage myself and I loved my team members. I did my best for the team and clients. My attitude was based on lifting the spirits of my staff and to work side by side with them and to build them up and instil confidence in them. If we celebrated it was without the CEO or top management.

9. ***What were some of the challenges the organization faced and how did you deal with them?***

In the marketing department there was a 0% budget. Trade exchanges were also being done behind the leader's back. In trying to build the brand there were obstacles in trying to achieve success at all cost? For the CEO, sales and marketing was considered to be a waste. Decisions had to be made on one's own. There was no consultation with the CEO, the CEO didn't know about 85% of business operation. The CEO was challenged head on but respect lacked because of the CEO behaviour which one of aggression and it brought out a "crazy side that I didn't know" and "I didn't respect CEO".

10. ***What were some of the major successes of the leadership at Airline X and what were some shortcomings? What are some things that you think you could have done differently as leaders of Airline X?***

The success was mainly as a result of the big heart of the second in command and his ability to compliment staff and the ability to deal with crises with a fire fighting mentality. Another success was the launch of the 767 aircraft and Zambia route.

As for the shortcomings it seemed like Top Management was an Ivory Tower in that communication was severely lacking. They wouldn't face clients and there was no trust. The CEO wanted to control everything. He seemed to be more of a scatter brain and should have been more patient, listened and trusted more employees more thereby believing in "us more". Also whilst the success can be attributed to second in command, it just seemed like he was adopting managerial style of the CEO. Top management should have been allowed to play their role more fully. He should have been open about the financial welfare of the business.

11. ***What lessons are there for other organizations especially those in the airline industry, from the Airline X experience?***

The lesson to be learnt from this is that staff does play an important role in an organization. It is important to make them feel as part of the organization. One has to trust their staff and not try to "crush their spirit". It is essential to be able to provide motivation for staff as well as involve them in core business decisions. Patience and understanding is a very important quality to have as a leader as well as be authoritative and allow individuals control and ownership of their responsibilities. One has to operate and lead such a business with integrity and honesty and ensure effective relationships with all stakeholders (the way one interacts and treats people).

<u>Appendix 5</u>: Senior Management Interview (Interviewee C- Maintenance)

Senior Executive

1. ***What would you describe as the core values that guided the organization?***

There was a strong drive to succeed.

2. ***Was the leadership able to give voice to these values?***

The drive for success came from the CEO and his ability to brush off on managers to never ever give up However; it seemed that integrity was non-existent for few top management individuals.

3. ***What was the predominant leadership style in the organization and did this affect the performance culture of the organization?***

It was autocratic and ruled by force and big time fear factor. Yes all this affected the culture of the organization.

4. ***Was the leadership able to establish clear guidelines about the common principles and ideals of the organization and were they able to lead by example?***

No, as there seemed to be a non-existent management structure. In terms of leading by example, there is a contradiction because there was a drive to succeed which came about as a result of the CEO but there was a lack of integrity from some individual managers.

5. ***What was the dream for Airline X as an organization and to what extent were the leaders able to inspire a shared vision to achieve this dream?***

The dream was to be the best in the country. They were able to achieve efficiency to the rate of 60/70% and this ability to be the best was filtered down from the CEO's management style. Whilst the entrepreneurial spirit led to the success of the airline, it also led to its downfall.

6. ***By challenging the process, what did you do as the leaders of the organization to intentionally encourage innovation, growth and improvement in the staff? What were the successes of such initiatives?***

As leaders we were forced to be “skelm”, i.e. devious. We encouraged training, trust, respect and wanted to protect employees from the CEO, limit direct interaction. Trust became a common goal and grew amongst staff. There were all sorts of deals, i.e. trade exchange which was the old fashion way of doing things but it was not the way to run the company. This allowed us to ensure production and on time performance which lead us to being the best in the country.

7. ***To what extent was the organization an “I’ organization and to what extent was it a ‘we’ organization? What did the leaders do to build trust and empower others in the organization’s team, i.e. enabling others to act?***

In terms of “I”, it was all about the CEO whereas “we” was based on companionship and friendship of most of the employees. The CEO had wanted to micro-manage rather than macro-manage. It is because of this approach that it allowed us, “we” to get together.

8. ***What did you do to encourage yourself and others during the hard times and how did you celebrate success?***

There was no encouragement from the CEO. As a result of the lack of communication this resulted in a lack of systems. There was a lot of excitement with negotiations around the 767 as well as the expansion of routes which people expressed emotionally (clapping, tearing and hugging).

9. ***What were some of the challenges the organization faced and how did you deal with them?***

The organization was run mostly on crisis management. There were no proper systems in place as this was a decision that needed to be implemented by the CEO. Externally there were challenges with the CAA and issues around being compliant. When it came to facing these challenges the innovativeness to make thing happen and the ability to make a plan is what allowed employees to deal with the obstacles.

The airline had tried to deal with the incident of the engine through crisis management but racist remarks worsened the relationship with the stakeholders.

10. ***What were some of the major successes of the leadership at Airline X and what were some shortcomings? What are some things that you think you could have done differently as leaders of Airline X?***

The success of the airline was its ability to build a strong core of highly skilled people so as to create a more efficient team. The maintenance teams always ensured that they operated on the basis of efficiency and productivity to support management.

As for the shortcomings, the CEO was ruthless, he would "physically beat them" showing that he had no people skills. There was no organizational structure, respect and no long-term vision for staff and there seemed to be no belief by the CEO in the training and development of staff.

11. ***What lessons are there for other organizations especially those in the airline industry, from the Airline X experience?***

The biggest asset for a company is its people and investment in terms of development and training throughout the organization which is paramount. Employees must be treated with respect and valued for the role they play whether that is maintenance, airline crew, pilots, etc. For an airline to operate successfully it must have the appropriate and applicable systems, policies and procedures in place. The airline has to adopt the correct management structure. The airline should also make room for the expertise of specialist and cater for collective decision making.

<u>Appendix 6</u>: Senior Management Interview (Interviewee D)

Senior Executive

1. ***What would you describe as the core values that guided the organization?***

The core values that guided the organization were honesty, integrity, service excellence, safety, customer service and on time performance.

2. ***Was the leadership able to give voice to these values?***

These values were supported by management and not lived out by other departments in the company. Head office did not work whereas successful operations were seen in the Gauteng branch.

3. ***What was the predominant leadership style in the organization and did this affect the performance culture of the organization?***

The organization was driven by a dictatorial style which was by intimidation. The CEO was not supportive of people and there were explosions with individuals at all level which was abnormal. It was a matter of time for resignations and the turnover rate of the staff was greater than 40%.

Yes, it did affect the performance culture of the organization.

4. ***Was the leadership able to establish clear guidelines about the common principles and ideals of the organization and were they able to lead by example?***

As there was no leadership, it was difficult to establish the guidelines that were needed in the organization. So my answer would be no.

5. ***What was the dream for Airline X as an organization and to what extent were the leaders able to inspire a shared vision to achieve this dream?***

There was no dream for the airline or vision. Management had to fight fires. What employees had longed for was expansion and a 5 year vision. Top management didn't know and had not committed to strategic planning. There was no structure.

6. ***By challenging the process, what did you do as the leaders of the organization to intentionally encourage innovation, growth and improvement in the staff? What were the successes of such initiatives?***

The CEO didn't treat the staff with respect hence there was a high turnover. There were no programmes to encourage innovation or staff growth as these were seen to be a waste of time. If "I wanted loyalty, I'll buy a dog".

7. ***To what extent was the organization an "I' organization and to what extent was it a 'we' organization? What did the leaders do to build trust and empower others in the organization's team, i.e. enabling others to act?***

The "I" was all about the leader himself. Whereas the "We" was the other employees that excluded CEO. There was no empowerment. As leaders we did try to encourage a respect for people.

8. ***What did you do to encourage yourself and others during the hard times and how did you celebrate success?***

Senior managers tried to support each other. This was a coping mechanism. Sometimes one had to resort to drugs (Prozac or Xanor). One always felt overwhelmed and sometimes the senior management did not engage in issues. There was constant frustration. The organization just crumbled.

9. ***What were some of the challenges the organization faced and how did you deal with them?***

The internal challenges revolved around the management style of the company and creating a stabile workforce as well as attracting a high calibre of people. Externally, SAA was the biggest challenge and they had disregard for the law and competition. *Airline X* had competed with SAA through incentives and voyager programmes. In dealing with competitors such as SAA and BA, the airline had matched the fare offering using various costing methods and prices as well as the distribution of product and including code share.

10. ***What were some of the major successes of the leadership at Airline X and what were some shortcomings? What are some things that you think you could have done differently as leaders of Airline X?***

The leadership. In terms of doing things differently they should have had new employees and focused on customers. There should have been no interference in cabin operations. Difficult to achieve success because this had to be done through "beg, borrow and ailing – steal". There were no internal and external relations. Employees were not inspired by collective leadership or orchestrated efforts. The airline didn't pay to retain proper leadership.

11. ***What lessons are there for other organizations especially those in the airline industry, from the Airline X experience?***

The lessons to be learnt is that the airline has to create ownership and enable people to pull together. Respect and loyalty has to be encouraged.

<u>Appendix 7</u>: Senior Management Interview (Interviewee E)

Senior Executive

1. ***What would you describe as the core values that guided the organization?***

The core values were respect and commitment.

2. ***Was the leadership able to give voice to these values?***

By being on the same level and being down at the same working level of other, i.e. being of the guys was the approach that was adopted. However there was no tolerance for lie. Being available was my motto.

3. ***What was the predominant leadership style in the organization and did this affect the performance culture of the organization?***

The organization was driven by me wanting to be on top of everything which led to the reputation for me not delegating through the channels. Yes it affected the performance culture. I tried to implement a style of leadership which was not bureaucratic for senior managers. It was difficult for the lower levels to get to the middle management level. It was important to keep good control and up to speed with what was happening in the organization. There was no compromise on the issue of safety. Discipline was difficult to instil.

4. ***Was the leadership able to establish clear guidelines about the common principles and ideals of the organization and were they able to lead by example?***

Yes, this was based on respect and commitment and being humble even though I was senior I was able to be one of the guys.

5. ***What was the dream for Airline X as an organization and to what extent were the leaders able to inspire a shared vision to achieve this dream?***

The dream was to be able to ensure on time delivery, to be able to expand as a private airline.

6. ***By challenging the process, what did you do as the leaders of the organization to intentionally encourage innovation, growth and improvement in the staff? What were the successes of such initiatives?***

Much emphasis was placed on keeping costs as low as possible to which this would require three quotes. Issues arose about aircraft parts and kickbacks, but it was about securing the best deal. When the business started, training was provided so as to ensure the best service.

7. ***To what extent was the organization an "I' organization and to what extent was it a 'we' organization? What did the leaders do to build trust and empower others in the organization's team, i.e. enabling others to act?***

The style was to ensure inclusivity of all staff, i.e. a team organization. There were no friends; it was "dog eat dog". It was hard, SAA continued to break laws pertaining to the competition commission.

8. ***What did you do to encourage yourself and others during the hard times and how did you celebrate success?***

A lawsuit was launched against SAA. Success was achieved in not bending to the Union demands as well as the launch of flights to London.

9. ***What were some of the challenges the organization faced and how did you deal with them?***

One of the biggest challenges was from SAA. Another challenge was that of budget and putting up reserves i.e. replacement of aircrafts. It was easier negotiating with aircraft carriers in the USA and the UK as they would bend over as opposed to the CAA in South Africa, who was not helpful. Jealousy arouse and the issue of being non-BEE compliant. In regards to dealing with authorities, lying was dealt with severely, no time for bull shit or beating around the bush.

10. ***What were some of the major successes of the leadership at Airline X and what were some shortcomings? What are some things that you think you could have done differently as leaders of Airline X?***

The success was that the airline was able to act against SAA. We were able to secure a turnover of over R1, 2 billion. The airline was self-sufficient, e.g. maintenance department. There were no large spares and the cost of the different equipment as well as ensuring standardization of the aircraft fleets.

11. ***What lessons are there for other organizations especially those in the airline industry, from the Nationwide Airline experience?***

The lesson to be learnt is that one cannot go into business with the State as it is highly competitive. For example, SAA was able to get state assistance. One has to have strong financials. The IT distribution costs which are high have to be taken into consideration. There are also numerous factors to be taken into account especially with regard to cost savings, e.g. threats of boycotts. Threats of fraud can be internal (from staff) or external and have to be considered.

<u>Appendix 8</u>: Senior Management Interview (Interviewee F)

Pilot

1. ***What would you describe as the core values that guided the organization?***

The core values that guided the organization was passion.

2. ***Was the leadership able to give voice to these values?***

Leaders developed their own style of management.

3. ***What was the predominant leadership style in the organization and did this affect the performance culture of the organization?***

The initial leadership was one of subservience; it was firm and very fair. However once the CEO gained confidence, he began to dictate. So yes, this affected the performance culture. The organization did not have a good pyramid structure, it was a flat structure and too big to handle. It was a small family and entrepreneurial structure. Problems had started with the growth of the airline and the structure did not change.

4. ***Was the leadership able to establish clear guidelines about the common principles and ideals of the organization and were they able to lead by example?***

Yes, I would say that the leaders were able to establish some guidelines but it was more because of the 'we' behind it rather than the CEO as we were able to keep our fingers on the pulse of things.

5. ***What was the dream for Airline X as an organization and to what extent were the leaders able to inspire a shared vision to achieve this dream?***

Airline X had proved that it was viable to be able to set up a private airline and successfully compete with other stakeholders in the business. The dream had been realized.

6. ***By challenging the process, what did you do as the leaders of the organization to intentionally encourage innovation, growth and improvement in the staff? What were the successes of such initiatives?***

We listened to reason and encouraged people with ideas and new things. New initiatives were tried on a trial and error basis. What was limiting is that "we didn't tell the CEO everything". The cockpit was a good meeting place. As the CEO didn't want to spend, we provided selective information and therefore only conveyed positive information. The success of such initiatives was driven by the excellent team and personnel. We were able to motivate individuals and try to take care of people's needs.

7. ***To what extent was the organization an "I' organization and to what extent was it a 'we' organization? What did the leaders do to build trust and empower others in the organization's team, i.e. enabling others to act?***

The CEO was an "I" specialist even though he would replace himself with the name of the airline. The "we" in the organization is what united employees because of the passion for the airline and the brand. It is what led to the culmination and growth of the organization. With regard to trust, the CEO had trust in only selected people. The CEO had micromanaged most things.

8. ***What did you do to encourage yourself and others during the hard times and how did you celebrate success?***

We were driven by the need to make a success as we had a good product. There is no recollection for celebrating success. "We" celebrated in a fragmented way.

9. ***What were some of the challenges the organization faced and how did you deal with them?***

It seemed that there was leadership fragmentation because of the different branches. The foundation should have been restructured. The resources were not adequate. We were also competing against SAA. The CAA allowed the industry to self regulation. It was also challenging to retain good people. It was challenging dealing with senior management. In order to deal with the challenge we maintained the standard of the pilots and adhered to safety regulations. The level of proficiency was maintained.

10. ***What were some of the major successes of the leadership at Airline X and what were some shortcomings? What are some things that you think you could have done differently as leaders of Airline X?***

The airline had an excellent safety record and there were no fatalities. There was dedication by some people which allowed the airline to grow.

In regards to the shortcomings people were not always best suited for promotion. They were appointed by the CEO. There was no structure and employees would be undermined. The CEO had an abrasive attitude based on his total dedication however there "must be life after *Airline X.* We tried to interact with the CEO and be proactive and influential in regards to decision-making. We had wanted the CEO to employ better skilled people as the airline needed sound managerial help and implementation. There was no experience.

11. ***What lessons are there for other organizations especially those in the airline industry, from the Airline X experience?***

The lessons for airlines are that they should establish a good foundation. Correct and qualified individuals should be employed for the skilled positions/jobs. It is essential to find out what the "customer wants" instead of deciding what you think is good for them. Market research is crucial. The business had eventually "out grew the CEO".

<u>Appendix 9</u>: Senior Management Interview (Interviewee G)

Senior Executive

1. ***What would you describe as the core values that guided the organization?***

The core values which employees were guided by seemed to be one of pride, i.e. great sense of self-achievement and one in which one was driven by the "passion" for the airline.

2. ***Was the leadership able to give voice to these values?***

Leaders were able to give voice to the values because they had more of a hands-on policy and an open door policy they listened and acted to situations. It seemed like there was no bureaucracy and action taken was within reason.

3. ***What was the predominant leadership style in the organization and did this affect the performance culture of the organization?***

The organization was driven by controlled management as managers had to follow whatever the leader had wanted because of his bull terrier approach to things.

Yes, there is no doubt about that because the leader controlled too much and everyone had to keep their "finger on the pulse of things". Performance was affected because the leadership had rubbed off onto management. Also when the IOSA(Interternational Operational Safety Authority) realized the airline was falling down there was a need to jack up training.

4. ***Was the leadership able to establish clear guidelines about the common principles and ideals of the organization and were they able to lead by example?***

Yes. As leaders I think that we had been able to lead by example and were being driven by the commitment to the airline.

5. ***What was the dream for Airline X as an organization and to what extent were the leaders able to inspire a shared vision to achieve this dream?***

The dream was to be the very best through providing outstanding customer service and also being the top airline in South Africa. It seemed that everyone had this dream in the organization except the leader.

6. ***By challenging the process, what did you do as the leaders of the organization to intentionally encourage innovation, growth and improvement in the staff? What were the successes of such initiatives?***

Incentives such as promotions were given to cabin and ground staff to encourage employees to stay motivated. Orientation programmes were also necessary for different departments. Training was also given to pilots. Through these programmes it created a feeling of being part of the airline.

7. ***To what extent was the organization an "I' organization and to what extent was it a 'we' organization? What did the leaders do to build trust and empower others in the organization's team, i.e. enabling others to act?***

It was more of an "I" organization. People were only empowered by the notion of "damned if you do and if you don't". It was the fear factor which had created a united front of doing things out of love and passion for the airline.

8. ***What did you do to encourage yourself and others during the hard times and how did you celebrate success?***

The success was celebrated by flying and meeting happy passengers which uplifted one's spirit.

9. ***What were some of the challenges the organization faced and how did you deal with them?***

The challenges that the organization faced was both internal and external. There were a lot of financial constraints and it was difficult to recruit passionate people because it was a low cost airline and we had to pay them the competitive rates of the market. There was also competition in the industry based on pricing, i.e. low costs. We were able to do some morale building and motivation.

10. ***What were some of the major successes of the leadership at Airline X and what were some shortcomings? What are some things that you think you could have done differently as leaders of Airline X?***

With regard to successes it seemed that everyone had a hands-on approach and worked together. The airline had a successful route to Zambia and had won various awards. The airlines cabin service was quality driven.

In terms of shortcomings the management team did not have much infrastructure or have the resources that the state airlines had. There were too few managers and no middle management structure. It seemed that everything was done pretty much by trial and error and starting from scratch. In addition to this the leader had no people skills and the leader had made enemies along the way. Whilst some goals were achieved to a point others were not because of a lack of capital. Communication was lacking as communication was rather selective.

11. ***What lessons are there for other organizations especially those in the airline industry, from the Airline X?***

For airlines to be successful they must have a sound HR structure and a high set of standards whilst also ensuring consistency. Good training programmes must be put in place for staff and they must be able to promote the product. Customer service must be 100%. People have to be empowered and the organization must build upon the management capabilities.

<u>Appendix 10:</u> Date of Interviews

Date	Interviewee	Position	Airline
18/05/09	A	Senior Executive	X
19/05/09	B	Director	X
20/05/09	C	Senior Executive	X
21/05/09	D	Senior Executive	X
21/05/09	E	Senior Executive	X
22/05/09	F	Pilot	X
26/05/09	G	Senior Executive	X

Note: *Interviewees' names are not stated for confidentiality and ethical reasons.*

Appendix 11: Nominal Data for Questionnaire - Q3 & Q4

Question	Code	Response Item	Frequency	Percent
Q3	0	Yes	7	100%
	1	No	0	0%
	2	Other	0	0%
		Total	7	100.00%

Question	Code	Response Item	Frequency	Percent
Q4	0	Yes	5	71%
	1	No	2	29%
	2	Other	0	0%
		Total	7	100.00%