

Good essay on peter senges organization learning disabilities

[Business](#), [Company](#)



\n[[toc title="Table of Contents"](#)]\n

\n \t

1. [Abstract](#) \n \t
2. [Keyword: Learning organization](#) \n \t
3. [References](#) \n

\n[/toc]\n \n

Abstract

The success of an organization is usually limited because of the learning disability that exists within it. The learning disabilities make many companies repeat similar mistakes done in the past and hinder them from taking advantage of the opportunities that come by. This disability has been observed in big and small organizations. The essay captures the case of an American airline, the People Express that was formed back in 1980. Its major working strategy was to keep the flight fares as low as possible to attract customers and hence gain control of a larger share of the market. The strategy it employed failed and this led to its bankruptcy and final closure in February 1, 1987. The airlines main failure was due to its concentration in fighting its external competitors instead of dealing with its internal problems. It was to integrate its service delivery scheme to match the growing number of customers who were attracted by the low prices and at the same time continue providing customized services to the passengers who could afford to pay more. Instead, they insisted on the “ no frills” mentality that led them to their doom.

Keyword: Learning organization

A “ learning organization” is branded by its devotion to enhance the process of thinking that lies behind the decision-making. It advocates for learning through experimentation and carrying out tests in the virtual worlds (Senge, 1990). There is always a propensity in each one of us to find something or someone that is not within ourselves to blame when things do not work out well. Some organizations intensify this propensity to a law of blames whereby the marketing team always blames the manufacturing for their lack of success. They often blame the manufacturing for making poor quality goods that contribute to failure to meet their marketing target. The manufacturing department in turn blames the engineering who again blame the marketing team for interfering with their designs. The syndrome of the “ enemy is out there” originates from, “ I am my position” and the random ways of looking at the world that it nurtures. Usually when we focus only on our position we fail to see how our actions go beyond the boundary of the respective position held. In occasions when the consequences hurt us, we tend to misperceive the problems as arising from external sources. We therefore cannot seem to deal with them accordingly because we are like people running from our shadows. The syndrome is not limited to assigning blames within the organization as evidenced by the failure of People Express Airlines.

The Peoples Express Airline has a history that dates back to 1980 when it was formed by the former president, Burr Donald and several other prominent executives of Texas international airline when they agreed to form a joint venture. The airline carrier was based out of Newark in New

Jersey with the aim of providing services between New York and New Jersey and in several other states in the northeast. Their operating concept was to offer passengers the cheapest flights as possible. The competition from the large airlines was so intense and it became difficult for the new airlines to cope up with provision of services. The introduction of people express in the market eroded the industry further with the slashing of fares that caused airfare wars in the industry as many airlines tried to go non-union to maintain their share in the airline market. The slashing of fares led to high losses that cost the industry 70 million dollars in the first nine months. In 1985, the People Express bought out Denver-based Frontier Air and the combined company became the fifth largest, expanding their services to major US cities. They again purchased Britt Airways and Provincetown - Boston airlines. This led to the airline accumulating a lot of debt while other competitors managed to work on their yield management schemes that improved the quality of their services. This enabled them to compete better with the People Express low fares. The debt pressure was so great that the airline was forced to change its operating philosophy by seeking to lure passengers who were willing to pay inflated fares. They were therefore forced to redesign their aircrafts to include a first class cabin and the frequent flyer plan was implemented followed by the abolishment of the simplified fare structures in favor of a more traditional airline scheme of pricing. In June, 1986, the debt burden led the company to seek the services with an investment bank so as to facilitate the sale of part or whole of it. At last, People Express was forced to sell itself wholly to Texas Air Corp for a price of \$ 125 million. It ceased to exist as a carrier on February 1,

1987, after the merging of its operations with Continental Airlines.

The low flight prices offered by the Peoples Express created a huge demand for flight that the flight company could not manage to contain using the available facilities. The company fought to maintain a large market share by buying other companies and being non-partisan in the unions instead of working towards improving their service delivery schemes. They would have concentrated in improving their service delivery systems by provisions of high caliber, specialized and customized customer services. This would have enabled them to maintain the customers who were willing to pay higher fares. The fact that they failed to expand the service capacity quickly led to poor service quality that finally led to the failure of the business.

References

Senge, P. M. (1990). *The fifth discipline: the art and practice of the learning organization*. New York: Doubleday/Currency.

Senge, P. M. (2008). *The necessary revolution: how individuals and organizations are working together to create a sustainable world*. New York: Doubleday.