

Sample case study on the power interest gird of stakeholders of malaysia airlines...

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



Re-engineering Malaysian Airlines (MAS): Who Can Save the Company

1. The business operations of an organisation play a significant role in supporting the new leader and a new strategy. The functional organisations are facing remarkable modifications and challenges. As a matter of fact the businesses are becoming increasingly concerned about the capabilities and the skills and are demanding that the leaders associated with the functions come forward and play their strategic role in this regard (Kouzes and Posner, 2012). Because of the less stability of the business environments and fierce competition in the majority of markets, the focus on flexibility and the skillfulness is increasing, because of which the focus on the performance and outcome is increasing, which is supporting the need of a new leader as a well as a new strategy. The lack of stability and the competition in the businesses are forcing several functions and business operations to enhance the operational excellence, and to consider the reduction of the cost (Hill and Jones, 2011). This can be effectively analysed from the case of the Malaysia Airlines the business operations of which are supportive of the new leader and strategy. Malaysia Airlines has faced financial loss because of the inefficiency of the operations. The company is also facing competition from the competitors such Ryanair and Air Asia, which are facilitated the customers with the low cost. The company has also faced bankruptcy in the year 2001 because of the inefficiency in the operations (Mangla, 2011). Now, the efficiency and the smooth functioning of the operations in Malaysia Airlines is dependent on the new strategy and new leader because of the fact that they help in bringing new and innovative ideas that can help the

company to improve their performance in accordance with the latest trends that are prevailing in the industry for meeting the needs and requirements of the customers. It also helps in the provision of the great opportunities to the various departments of the organisation such as finance, human resource, R & D, IT, sales and marketing, and assists them in performing functions in an effectual manner. Further, the business operations assist on new strategy and leader as they play a significant role in making the functions fit for the purpose by modifying the portfolio of different activities for focusing majorly on the activities that are of strategic importance for the organisation and add greater value. The business functions also give importance to the new leader and strategy by setting the priorities and preferences in line with the overall strategy of the organisation, by supporting the operating model for delivering the value according to the preferences, and allocating the resources also in accordance with the preferences (Adair, 2010). There are several specialized tasks that need to be done in an organisation for ensuring the growth and the progress of the organisation, and these are done effectively when the business operations support the new leader and new strategy. In the case of the Malaysia Airlines a new strategy and new leader can play an essential role in saving the cost and help to achieve competitive advantage. They also help an organisation to shift rapidly to the patterns of needs and demands of the customers, and to cope with the uncertainty in the macroeconomic environment. Further, In Malaysia Airways, the business opportunities support a new strategy and a new leader by allocating more and proper attention, time and money to various activities that can help in making the company more competitive.

2. The stakeholders of Malaysia Airlines include customers, employees, suppliers, competitors, local communities, financial institutions, creditors, competitors, charities, regulators and Government. The employees are important part of Malaysia Airlines, and they have stake in the company, the closing of the company badly affects them as they become deprived of their jobs. The customers are also important stakeholders of Malaysia Airlines. When customers travel, the security, quality of service, and the expectations become an issue with the expectations regarding the quality of the service and the pleasure that customers gain while travelling. Further, Government and the financial institutes earn revenues and they are also significant stakeholders of Malaysia Airlines. The stakeholders of the Malaysia Airlines can be plotted on the power-interest grid. There are some positions of people in the power grid, which are high power, highly interested people, high power, less interested individuals, low power, highly interested individuals, and low power, low interested individuals. People with high power and high interest must be fully considered and engaged. The organisations should make attempts and the required efforts in order to satisfy them. The individuals with less power and high interest should be kept informed by the organisation, and the organisation's management should communicate with them in order to solve the problems that arise. These individuals with low power and the high interest are helpful as they can assist in the accomplishment of the projects. The organisation has to do enough work on high power and less interested people for satisfying them, but so much work is not required because they show uninterested attitude with the details or the message. There is need of monitoring people with low power and low

interest but they should not be bored with unnecessary and too much communication.

Figure 1: Power Interest Grid for Malaysia Airlines

The most important issues in managing the stakeholders in Malaysia Airlines is of managing them in an effective manner. The company has to assimilate as well as communicate with the stakeholders. They have to consider the stakeholders in different culture in order to facilitate them in the best possible manner. The company has to face challenges from the government as it is evident from one of the political reaction, and it is expected that it will get more intense in the future. The actions and the attitudes of the stakeholders exert their influence on the success of the company or the project. So, it is essential to communicate with them to develop an understanding in them about what the organisation is trying to achieve, to establish positive association with them, to bring into notice of the government the problem that the organisation is facing, and to create positive and effective understanding that help in the creation of long-term and effectual relationship with the major group (Bourne, 2011).

Furthermore, communication with the shareholders is beneficial as it helps in attracting the funds that are required for making investments (Egan, 2007).

Communication with the customers helps in making the position of an organisation strong at the time when the customers are involved in their buying decision. Communication with the supplier paves the way to the building of the supply chain that is associated with the needs of the organisation (Bagchi, 2003). It is also important for building the

understanding of the aims of business in the government agencies, local communities, customers, and the pressure groups.

3. SWOT Analysis of Malaysia Airlines

The SWOT analysis of Malaysia Airlines indicate the following facts.

Strengths

Malaysia Airlines is under the ownership of government, and enjoying the support of the government.

It is operating in the diversified segment of the market that is allowing reduction of the risk associated with the portfolio.

It has international as well as domestic destinations.

The company has a new leader or CEO now, which is also its strength because of the modifications that a new leader can bring.

The organisational culture of the Malaysia Airline is strong.

The company is also earning revenue from the cargo service, which is also its strength.

Weaknesses

Improper communication and assimilation within the company
Price insensitivity to the market demand is also a weakness of Malaysia Airlines.

Increasing financial loss and loss of the planes

Expensive and costly administration because of the large number of employees

No significant attention to the stakeholders

Because of the high stake of the Malaysian Government, loses of company

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have exerted negative direct influence on the company's as well as nation's image.

Opportunities

Increased interest of the customers in traveling will help in the improvement of the business

New ideas and innovative concepts under new leader and new strategy

Targeting low end segment with the strategy of low price

Focusing on the off-peak periods or seasons

Collaborating with the medical centers in order to facilitate customers with medical tourism

Proper communication within the organisation so that the mystery of the missing flights can be solved and it can be avoided in the future

Threats

Low price offered by the competitors of Malaysia Airlines such as Air Asia, and Cathy Pacific etc. Political interference and resistance

Increased competition from the major local and the international competitors

Future Prospect

The company under the guidance of new CEO named Mr. Christoph Mueller, who is an experienced professional, will become capable of conducting the functions and operations in an effectual manner that can help the company to improve its image again as well as financial position. The new CEO will help in formulation of new strategy where the main focus is on the ensuring proper communication and assimilation. Though, there are some obstacles,

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but new CEO with his experience will become capable of coming up with the solution that will ultimately help the company to come out of the tough situation. Under the proper leadership and supervision, the company can convert its weaknesses into the strengths, and its threats into the opportunities. The company also becomes capable of giving importance to the stakeholders and engages effectively with them for conducting the business in an effective manner and as smoothly as possible. Effectual leadership of CEO will also help the company to compete with the competitors without suffering from any loss, and also help in maintaining the competitive advantage. It will ensure accountability and timely reporting in the organisation that will help the company to remain protected from huge losses.

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