

South african airways case analysis

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South African airways Presented by: Hadeir Shahin Khaya Ngqula, the CEO of South African airways is facing a big challenge, which is the striking of SAA ground staff and cabin crews, this action won't affect only the overall performance of the company and slows down operations, but it will have a negative long term consequences as well, it may affect the company's reputation, and thus affecting it's prominence and perceived quality in the mind of the public.

The major problem of SAA is the lack of trust, justice, ethics and commitment in the company, as the employees don't trust there mangers, they believe that the decision making process is not fair, and managers are always violating the accepted norms of morality within the company.

Firstly the absences of the authority's trustworthiness negatively affected the employees, as mangers failed to show employees there capability of taking over the helm specially that executive's lack aviation background, also employees didn't perceive the authority to be benevolent or to have integrity, and that was clear when Ngqula decided to cut his management stuff in half to control costs, and suspending four managers for misconduct and failure to prevent wasteful expenditure, at the same time he was criticized by the media for incurring luxury travel expenses, more over his strategy revolved around efficiency, growth and outstanding service, without emphasizing about being helpful, supportive or loyal to his employees apart from any selfish or profit motive, all those factors resulted in the fact that SAA's employees lack of trust to their managers. Secondly the country's history over the past years regarding the racial discrimination influenced the companies' policies which resulted in the feeling of injustice and a biased

code of ethics among employees, in addition to, the pay raise issue. Despite of the good performance and the growth of the company, managers are referring to the fuel price as a constrain that preventing them from raising the pay, as a result employees belief that the decision outcomes are not allocated using the proper norms because they have contributed to the company's good performance and they deserve more outcome specially that the company had a year profit of \$155 million and can easily afford the wage increase, also knowing that there managers are spending money on helicopter travels and luxurious hotel rooms made them feel that they are not receiving distributive justice. As a result of the former problems, employees don't feel committed to the company, and therefore Ngqula has to fix those problems by regaining employees trust and treating them fairly, this can be done by: approving the 8% increase in wages and start to implement an evaluation performance plan, in order to keep track of employees performance, and lay a roadmap for planning and development.

He should include employees training program in his development strategy, this program should not only stress on their skills but, on the importance of positive communication and culture of kindness in the company as well; to increase SAA's employees commitment. It's known that integrity should come from the top managers first, that's why telling the truth to the employees and sticking to promises will be a good start to regain their trust, also the company should introduces a solid code of ethics that prohibits racial discrimination, protects employees' rights and preventing the misuse of the companies' resources. Finally introducing different ways to keep employees motivated such as bonuses, pay raise and recognition, this way

employees performance will increase, they will be more competitive, creative and committed to the work.