

Righting the Ship at Boeing. Restoring Engineering Excellence Through Management Reform



Course: HRM 601101 Org Behavior in Tech Orgs
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Agenda

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- Boeing's Current Situation
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- Root Causes of the Crisis
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- Application of Management Theory
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- Organizational Transformation Strategy
-
- Three Executive Recommendations



Boeing's Current Situation

- **Severe reputational damage** : The 737 MAX crashes killed 346 people and destroyed public trust in Boeing as a safe aircraft manufacturer
- **Repeated safety and quality failures** : After 737 MAX, Boeing continued having manufacturing defects and missed inspections, showing this pattern, not isolated accidents.
- **Loss of trust from regulators and customers**:The FAA is now closely watching Boeing, airlines are switching to Airbus, and passengers are afraid to fly Boeing planes.
- **Declining employee morale**::Boeing's best engineers are leaving the company because they've lost pride in working there, and that's hard to get back.
- **Increased public scrutiny**:Congress, the media, and regulators are all investigating Boeing now, so the company can't make any decision in private anymore.



Core Problem Statement

Boeing's crisis is not primarily an engineering failure, it is a management failure.

- **Engineering talent still exists** :The engineers and technical knowledge are still at Boeing, so the problem isn't that we don't have good engineers it's that they're not being listened to.

- **Decision-making shifted away from engineers**:Managers without engineering backgrounds started making the big safety decisions instead of letting engineers decide, and that's when things went wrong.

- **Financial priorities displaced safety**:Boeing's leaders cared more about making money for shareholders and hitting financial targets than they did about safety and quality.

Leadership Failure



- Dominance of transactional management over transformational leadership

- Executives prioritized control and compliance over vision and values

- Leaders lacked engineering grounding required in safety-critical firms

Leadership Consequences



- Engineers marginalized in decision-making

- Ethical leadership weakened

- Shift from proactive to reactive safety culture

Cultural Breakdown



Expectancy Theory failure:
effort not linked to safety
outcomes

Achievement motivation
suppressed

Psychological safety eroded

Motivational Consequences



High achievers
disengaged

Silence rewarded
over speaking up

Incentives favored
speed over quality

Organizational
Structure &
Controls



Fragmented
accountability

Excessive
outsourcing

Weak quality
enforcement

Structural Consequences



Poor coordination

Supplier quality
issues

Diffused
responsibility

Executive Behavior Risk



Narcissistic traits
discouraged criticism

Machiavellian thinking
prioritized short-term gains

Poor person–organization
fit at executive level

Strategic Impact



Brand erosion

Competitive
disadvantage

Regulatory
intervention

Recommendation 1: Leadership Reform

Shift

Shift to transformational leadership

Promote

Promote engineering-literate leaders

Tie

Tie executive incentives to safety and ethics



Recommendation 2: Motivational Realignment

Redesign

Redesign rewards using Expectancy Theory

Restore

Restore achievement motivation

Protect

Protect ethical voice



Recommendation 3: Governance & Control Redesign

Strengthen

Strengthen control systems

Clarify

Clarify accountability

Align

Align structure with safety-critical mission



Conclusion

Boeing's recovery depends on management reform.

Leadership, culture, and strategy must realign.



Final Thought

- Righting the ship requires courage, discipline, and commitment to excellence.

