

**REBUILDING TRUST: A COMPREHENSIVE PROPOSAL FOR  
CULTURAL AND LEADERSHIP TRANSFORMATION AT  
BOEING**

*prepared*

*by*

Dhwani Modi

New York University

*for*

Deepali Vitra



## INTRODUCTION

The Boeing 737 Max plane crashes was a horrific tragedy caused due to faulty technical assumptions by Boeing's engineers, lack of transparency from Boeing's management, and lack of oversight by the FAA. The Max crashes resulted in the loss of 346 human lives and \$21 billion in damages related to compensation to customers, aircraft storage, pilot training, and settlements with passengers' families. This happened because the leaders at the company prioritized cost saving over safety. If immediate actions are not taken, it is estimated that the losses could reach upto \$65 billion and Boeing can lose the trust of customers and shareholders which will further result in the downfall of the company.

## CURRENT ISSUES

A summary of issues identified in the cultural practices that led to the unfortunate plane crashes.

**Incompetent Leadership:** Employees in managerial positions cannot make informed, safe decisions because of their lack of understanding of engineering practices. The top executives encouraged the managers of the 737 max project to rush the plane into production and service. Employees were asked to stay quiet about the design flaws if they wanted to keep their jobs.

**Cost-saving over safety:** Certain cost-saving practices led to plane crashes as the leaders overlooked the design flaws to reduce the budget of the airplanes. Also, pilots were not told about the new MCAS system and it was left to their "intuition."

**Unethical Culture:** Boeing's management prioritized the company's profitability and stock price over everything else, including passenger safety. The failure to prioritize safety over cost shows a lack of concern for human lives.

**Lack of Trust in Leadership:** Employees lack trust in the company due to unethical leadership and decision-making. They argued that they would not let their family fly with Boeing because of safety concerns.

**Failing to communicate about changes in the aircraft:** Boeing installed a new safety software, known as Maneuvering Characteristics Augmentation System, that could override the pilots and push down the nose of the plane. Their reasoning for not telling the airlines about this feature

was that airlines would not be interested in buying a plane that would require hours of extensive pilot training. And it was also removed from the operations manual that pilots relied on.

**Lack of FAA Oversight:** The FAA failed to regulate and oversee Boeing's safety measures because it was overpowered by the company.

## **RECOMMENDATIONS**

To deal with the issues stated above, we have a few recommendations that can help change the unethical work culture at Boeing.

**Changing Boeing's mission statement:** Creating a new vision that prioritizes and values customer safety. A strong mission will guide managers and employees to adhere and commit to the new goal of maintaining passenger safety their utmost priority.

- **Internal Investigation**

**Diagnosing the Organization Culture and Leadership Style:** Before the merger with McDonnell Douglas in 1996, Boeing had a strong Clan culture where teamwork, collaboration, and family-like environment was encouraged. But after the merger, under the new leadership, it became a culture of concealment and taking shortcuts, where leaders did not care about employee opinions about safety and design flaws.

**Data Collection:** Taking surveys and interviews of employees in the company to collect evidence of unethical practices and identify people responsible for the plane crashes. It is important to recognize how long this process has been going on for and where to start to implement changes.

**Accountability:** Ignoring the safety of hundreds of passengers and crew members is not only unethical but also inhumane. Responsible people should be held accountable and they should be replaced with competent engineers who understand and prioritize safety.

**Ethics Committee:** Creating an ethics team to regulate unethical practices involving individuals with strong moral backgrounds. They can audit the organization's ethics and safety practices and intervene when the safety standards are not met.

**Safety Evaluation Reports:** Engineers should assess the safety of the aircraft, prepare an extensive evaluation report, and hand in the report to ethics committee, which will require unanimous approval from a chain of people such as external aircraft consultants, ethics committee members, and the FAA before selling the aircraft.

- **Organization Development**

**Job Analysis:** A job analysis of managerial roles should be conducted to determine what skills and knowledge are required to become a competent leader. Then we need to match the skills with the qualifications of current leaders. If the leaders do not possess technical skills for their roles, they should be reassigned to a new department and replaced with qualified employees.

**Leadership and Culture Change:** Boeing thrived under the Clan culture style. Employees had a voice in the company and they could easily discuss the concerns with the CEO about quality and safety. They believed that if the standards are met, profits will follow. We should bring back the same culture and employ a leader who aligns with the cultural goals and encourages open communication, creates a sense of unity and trust, and can act as a role model for strong ethical practices.

**Ethics Training:** Implementing mandatory ethics training programs for all employees to create a strong ethical framework throughout the organization. All the employees should receive training to cooperate with the regulators by providing them with the necessary safety data and adhering to their recommendations.

- **Evaluating Success**

After implementing the strategies discussed above, we need to make sure the culture is maintained, and Boeing can rebuild its reputation.

**Employee Feedbacks:** We will be taking regular employee feedbacks through surveys and interviews in focus groups to evaluate the effectiveness in the organization culture and job satisfaction under the new leadership.

**Leadership Assessment:** Conducting a 360-degree feedback to assess the new leadership style will help collect reviews from employees.

**Measuring the Financial Impact:** Creating a culture of safety ensures less aircraft failures in the future due to design flaw. This will reduce the amount of money Boeing has to spend on damages and compensation related to safety incidents.

**Effect of Ethics Committee:** Taking interviews with members of the ethics committee to ensure that ethical practices are followed and how effective their roles are to address any ethic related challenges.

**Continuous Evaluation:** Conducting monthly feedback reviews of the organization's performance and culture to make sure the new implementations are operating as smoothly.

## CONCLUSION

Thus, by implementing these strategies and evaluation techniques, Boeing can work towards transforming its leadership and culture to rebuild trust of the employees and customers.

## REFERENCES

- Putter, B. (2019, December 18). *What Boeing Has Taught Us About Not Neglecting Company Culture*. Forbes. <https://www.forbes.com/sites/brettonputter/2019/12/18/what-boeing-has-taught-us-about-not-neglecting-company-culture-culturegene/?sh=3dab5ac9496a>
- Wellable. (2022, March 23). *How A 'Culture Of Concealment' Cost Boeing \$18.4B*. Wellable. <https://www.wellable.co/blog/how-a-culture-of-concealment-cost-boeing-18-4b/>