

## LEADERSHIP

# 6 Lessons In Organizational Effectiveness From Boeing



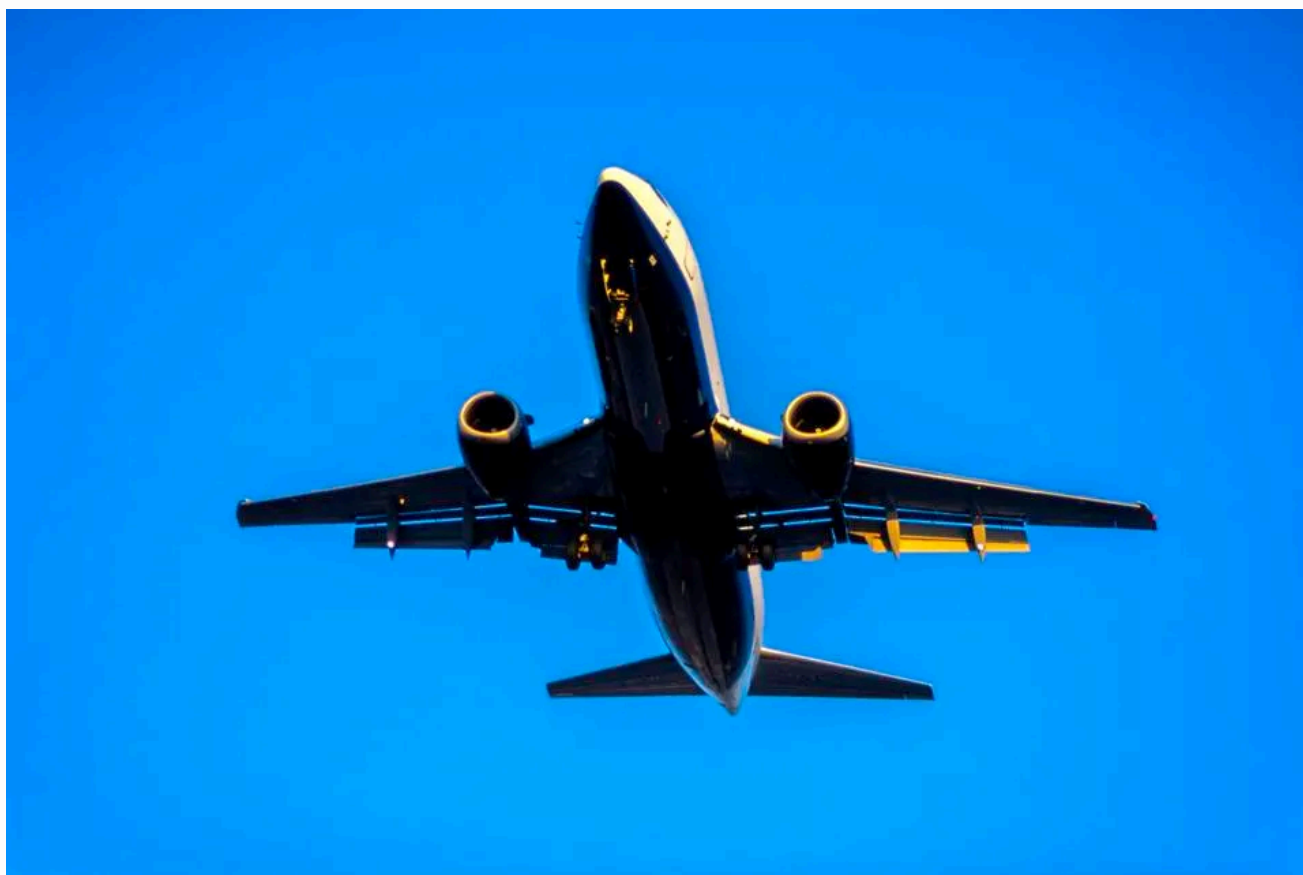
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Dec 19, 2024, 07:15am EST

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*Mustafa Shreet, Head of Organisational Effectiveness at Turner & Townsend.*



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As an organizational effectiveness and human resources consultant, a common practice I use with clients is conducting benchmarking exercises to show where they stand in comparison to competitors and best practices. This method helps clients relate to my insights in ways that will guarantee successful transformations in their operations.

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an organizational effectiveness service line at my employer, Turner & Townsend. I believe Boeing's history provides valuable wisdom for optimizing long-term success.

## 6 Lessons That Organizations Can Learn From Boeing

Recognized as a leader in aviation and engineering excellence, Boeing isn't just good; it's iconic. Its technology advancements, underpinned by [a commitment to safety](#), are so widely trusted, it was given an unofficial slogan: "If it ain't Boeing, I ain't going!"

What makes Boeing a worthwhile example of organizational effectiveness traces back to a significant turning point in its history: the 1997 merger with McDonnell Douglas. The acquisition was intended to strengthen Boeing's position in both commercial and military aviation markets. The resulting leadership change created both challenges and opportunities, and the way Boeing navigated these moments is something companies should examine.

### 1. Cultural Alignment Is A Vital Component Of Success


As McDonnell Douglas executives stepped into key leadership roles, Boeing employees faced a cultural shift. Decision-making became more financially driven, whereas Boeing had traditionally let its engineering values guide key decisions. While financial goals are crucial for measuring success, this shift created a tricky balancing act.

When your organization is navigating change, cultural alignment is critical. But you can't help your employees adapt without careful planning. Conducting cultural assessments, forming cross-functional leadership teams and using change management frameworks are some practical ways to keep everyone in sync.

### 2. Workforce Management And Retention Are Key For Sustaining Expertise

After the merger, Boeing experienced a workforce trend that's common in this situation: large-scale employee exits. The number of retirements, voluntary resignations and [cost-saving layoffs](#) created significant knowledge gaps as senior engineers and other seasoned professionals departed. Losing institutional expertise, at any scale, is a threat to operational continuity—especially without structured plans for transferring knowledge and developing current employees' skills.

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Congress mulls limits on student loans and a new repayment plan that would prevent balances from rising over time.

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Experienced professionals are your strongest asset, so you need ways to retain that expertise. I suggest starting with mentorship programs that pair seasoned pros with up-and-comers. Then create internal talent pipelines supported by robust [succession planning strategies](#) that develop your company's future leaders. Offering competitive compensation packages can also be effective for keeping your top talent in-house.

### 3. Learning And Development Is A Strategic Necessity

Training and developing employees should always be a pillar of your workforce strategy. But it's especially important in cases like Boeing's, when employee exits meant critical knowledge was lost. In the following decades, the company focused on shoring up its training. For example, in 2018, [it pledged \\$100 million toward employee development](#). Then, following the highly publicized issues with the Boeing 737 MAX in 2024, the aircraft manufacturer reinforced the value of training by updating its process.

Learning and development is your safety net for ensuring all employees are properly skilled. Your efforts should begin with tailored onboarding programs that set the tone for new employees. For continuous skill building, consider implementing a learning management system. And don't forget to measure and analyze the success of those trainings. This insight will help you keep L&D programs sharp and relevant.

### 4. Organizational Design And Cohesion Matter

In the past 20 years, [Boeing has outsourced various production components](#) to boost efficiency. However, this decision has had unintended consequences. For example,

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What's the takeaway here? Cohesive organizational design is essential for delivering a strong product. For example, a [matrix workforce structure](#) can help teams collaborate better, while [centralized oversight bodies](#) can ensure outsourcing doesn't compromise standards. But make sure that your organization's structural design is tailored to its specific needs and goals. Throw in some regular audits, and you've got a recipe for smoother operations.

## 5. Strong Governance And Oversight Are Crucial

Governance, while not as exciting as other aspects of organizational effectiveness, can't be forgotten. Boeing's experience with the 737 MAX brought [its governance practices into the spotlight](#). Any framework you have in place should be as robust as the products you oversee. For example, your risk management protocols should be able to spot trouble before it hits, and having multitiered communication plans can ensure everyone is on the same page. Finally, don't overlook governance reviews. They're the "check engine" light that will help you keep operations from breaking down unexpectedly.

## 6. Align Performance Metrics With Long-Term Objectives

The last key lesson that organizations can learn from Boeing is about keeping long-term success factors in mind during times of pressure. When the Airbus A320neo began eating up market share, Boeing shareholders were demanding results. When organizations race to meet delivery timelines, long-term priorities can get sidelined and critical investments in innovation, infrastructure and employee development are often neglected. This can lead to decreased employee morale and engagement, lower product quality and, worst of all, a loss of customer trust.

To ensure you don't get distracted by short-term metrics, you must keep performance aligned with sustainable long-term strategic goals. One method for accomplishing this is creating balanced scorecards that track both short- and long-term goals. Real-time performance dashboards can keep everyone accountable, and aligning team objectives with the big-picture strategy helps ensure your metrics are driving sustainable growth, not just quick wins.

## Conclusion: A Journey Of Learning And Resilience

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that doesn't take away from its legacy or its leadership. Boeing's journey is a reminder that organizational effectiveness is far more than a nice-to-have. It's the glue that holds everything together. Whether it's cultural alignment, workforce management or governance, these principles are lifelines. Prioritize them, and you won't just survive—you'll thrive.

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