

# **FACTORS OF SUCCESS OR FAILURE OF AVIATION INDUSTRY: A MULTIPLE CASE STUDY OF AVIATION INDUSTRY AND CONCEPTULIZATION OF NEW THEORY OF SUCCESS**

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## **ABSTRACT**

A study of six different airlines has been performed using a case study method, in which a full range of leadership development theories and themes, as well as organizational performance measurement themes to measure organizational performance have been used. Three failure airlines and three successful airlines were chosen for the study. The scope of the research is limited to the airline as a unit of analysis. In this unit of analysis, further leadership and organization are considered as two sub-units of analysis. In the leadership sub-unit, mainly leadership traits and determinants, leadership perspectives, leadership styles and types of leadership have been studied, whereas in the organization sub-unit of analysis, human resources, technology, structure, safety culture, strategy, environments, the role of government, unhealthy competition, political instability and its effects, have thoroughly been studied. The results indicate that leadership and organizational performance of Nepali aviation industries are two sides of a coin and without effective leadership, better organizational performance is not possible. Besides other factors like culture, environment, technology and financial constrain, most of the cases revealed that the role of government leadership while formulating the policies and aviation leadership that fails in cooptation with governmental bodies due to lack of political competency are the two main factors for aviation organizational success or failure in Nepal. Success factors, as per the research findings, are: merit-based employee selection process, no discrimination based on gender, consideration of all employees as owners, and ownership feeling within employees due to profit distribution, highly qualified and well-educated employees. Finally, a new theory of successful airline has developed at the end of this research based on multiple case studies.

## **KEYWORDS**

Aviation Industry, Cooptation, Leadership, Organizational Performance, Success Factors.

## **1. INTRODUCTION**

Many researchers have tried to study a different aspect of organizational performance and leadership styles. But there is no clear-cut finding of how leadership affects organizational performance. There are no such combined studies of the cases where success or failure happened due to leadership issues. The main concern for airline organizational performance is the combination of finances and safety (Bass, 1985). However, such a study has not been performed to my knowledge in the context of the Nepali airlines industry. These finances and safety issues are only not sufficient, and no single researcher studied the leadership about the aviation organizational performance. This is because aviation organization is not the subject of interest for academician or researchers. Otherwise, it may be possible due to the lack of understanding about it or due to its high level of involvement in technology. No performance theory of organization and contingency leadership is tested in the aviation organization as per the authors' knowledge.

Leadership is highly related to the success or failure of the organization, and it can affect both ways (Khajeh, 2018). Leadership factors can be useful for success and which leadership factors are responsible for failure need to be studied. No such particular research has been carried out in the past as per the authors' knowledge. In the above literature review, the authors have examined many leadership factors, styles and many factors of the organization. This literature review indicated that most of the research findings are questionable. For example, (Bastola, 2020) concluded that the safety of airlines can be the performance measurement indicator and it may not be sufficient to measure the performance of the airlines. Therefore, the performance measurement factors or indicators in the airlines industries need to be re-examined. Similarly, Avery's leadership paradigms need to be re-tested in the context of aviation industries. Moreover, the methodology of the case study has not been used while researching the effect of leadership on organizational performance in the context of aviation industries.

Likewise, the upper echelon theory of success or failure suggests that leadership is responsible for organizational success or failures (Hambrick & Mason, 1984). However, leadership and organizational performance have not been studied in the context of the Nepali aviation industry. This is also one of the major gaps in the literature. Moreover, Authors could not find any literature on why many airlines in the past failed in Nepal. Therefore, there is a need for this kind of case study research in the context of the Nepali

airlines industry. Authors could not find single literature, which studied both success and failures of the airlines at the same time. No literature was found in modifying the porter five forces of external environment and success or failure theory testing. Therefore, the authors have observed that these are the research gaps which this research has tried to address.

Leadership factors and organizational factors in the context of the Nepali airlines industry need to be examined. In the above literature review, due to its nature of the business, the subjective approach seems to be the best approach for the research. The trend of leadership types as per the above literature review clearly shows that leadership has changed as per timeline. Up to 1950 A.D., the trait perspective of leadership had dominated the management field. Likewise, behaviour perspective in 1970 A.D., situational perspective in 1980 A.D., value perspective and cultural perspective in 1990 A.D., spiritual perspective in 2000 A.D., scientific management perspective in 2010 A.D. and excellence management perspective in 2020 dominated the field. However, there is no particular research in the field of leadership in the context of aviation in Nepal.

All the issues responsible for uninterrupted performance should be continuously monitored for any organization to become successful. There must be a provision of regular scrutiny so that it determines the exact functional display of an organization and will be helpful for timely correction. Several scheme and models are involved in the performance of the organization but no single model has been conceptualized as a success model for the airlines industry. Therefore, there is a need for developing a new model of success for the airlines industry.

Leadership factors and organizational factors together have not been studied in the context of aviation industries as per the knowledge of the researcher. Leadership factors like its traits, determinates, leadership styles, leadership perspectives and types of leadership have not been much discussed together. Likewise, organizational factors related to performance like human resource, technology, the structure of the organization, environment, safety culture, the strategy of the organization, frequent change in leadership, unhealthy competition, government policy and the effect of political instability have also not been studied together. Therefore, there is a strong need for a study of the organizational performance of airlines industries from the leadership perspective focusing on all above-mentioned leadership as well as organizational factors.

## **2. LITERATURE REVIEW**

The performance of an organization is the measurement of its success or failure (Bass, 1990). Success and failure are common words in our daily life. Anybody or any organization if achieves a goal, becomes successful. The aviation industry is a very high-tech industry and its success or failures can be measured in several ways. Some may consider it successful if it provides quality service to its customers, whereas some may consider it successful if they make more financial gain. In this research, authors have reviewed the brief historical background of the Nepali airlines industries, leadership factors and organizational factors for the success or failures of the organization.

As per Caves (1977), organizations can be divided into mainly four categories based on their strategic types: defenders, analysers, prospectors and reactors. Only prospector organizations can utilize all types of organizational structures and it is very difficult for defender types of organization (Caves, 1977). Likewise, as per Andrews and Law (2007), the impact of centralization can be the best strategy for defender and decentralization works best in prospector types of organization.

The organizational performance also depends upon its strategic frame that is whether the organization focuses on its future or present strategy. A superior strategy should produce and renew competitive advantage which, in turn, affects the organizational performance (Khalifa, 2008). Cooperation and competition are two opposite phenomena that generally happen one after another. However, in this modern era, both competition and cooperation need to go simultaneously to achieve organizational success. As per Bengtsson and Kock (2000), both cooperation and competition can be possible, and leadership is responsible for such a strategy.

No organization can survive if they are not handling the changes in the external environment (Bunz & Maes, 1998). Studies have shown that the external factor has been concluded as an environmental factor (Mason, 1939). While studying the market structure based on empirical research, the market structure itself seems to affect organizational performance (Caves, 1977). By studying the market structure, the competitive nature of the market nowadays appears to affect the sales performance of an organization (Weiss, 1971).

Without human resource, no organization can achieve its goal. There is a substantial association between leadership and organizational performance (Venkataraman, 1997). He

concluded that effective leadership is the power of an organization. Similarly, Avolio (1999) highlighted that leadership styles can affect organizational performance. Furthermore, a transformational leadership style can impact the followers and can also motivate them by increasing the values of the subordinates thereby also increasing the organizational performance.

When any organization failed, leadership is blamed. Therefore, when organizations are successful, the credit should go to leadership, too. Leaders' self-managing skills, effective conflict management skills, learning agility, team-building skills and effective communication skills are the main five traits of effective leadership for organizational success or failures (Hamdan, 2018). Successful organizational need six key building blocks and they are markets, product services, resource management, operational systems, management systems, and corporate culture. Organizational success also depends on its financial performance (Flamholtz & Aksehirli, 2000). Whetten (1988) concluded that the democratic leadership style (transformational leadership style) leads to higher organizational performance. Likewise, he further concluded that both transformational and transactional leadership styles can influence the organization positively. However, the transformational leadership style seems to be the best as per research findings.

Leadership is connected with the productivity and aviation safety of the airlines. There are several airlines performance measurement tools that are in use in the academic as well as a research field. Airlines Quality Rating (AQR) is one of them. Bowen has carried out a study on airlines for the measurement of performance of the airlines and concluded that a highly risky aviation business needs a sound leadership and without effective leadership performance, airlines could not bend upwards (become profitable). Further, they explain that aviation organizational performance can be measured mainly through financial and safety indicators (Laszlo, 1999). Miller (1990) concluded that the autocratic leadership style has one disadvantage that it focuses on the performance and not on the employees of the organization. It concluded that it is not suitable for the aviation organization. The performance of the organization can be achieved if the leadership style matches with the followers along with the situation (Bastola, 2017).

There is no clear definition of organizational success and failures. If an organization can achieve its goal, we can conclude it is successful. A few firms define financial gain as success and others define the quality of the product as their success. Likewise, several terms have

been used in the literature for organizational failure. For example, organizational exit, downsizing, and failure organization mortality, organizational death, decline, retrenchment, and bankruptcy.

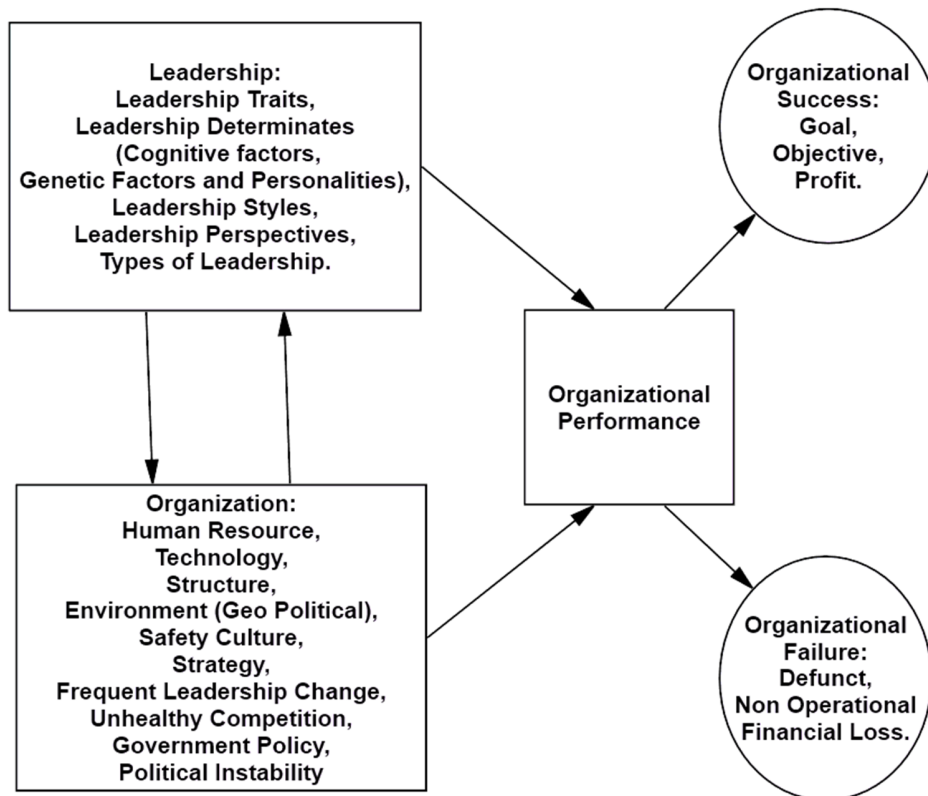
There are many theories on organizational success or failures. One theory is the life cycle theory. It explains that an organization has a certain life and its failure is normal and natural in due course of time (Klepper, 1997). Other scholars also see the size of the organization as a cause of the failure. The smaller the size of the organization, there is less the chance of failure (Sutton, 1997). Some researcher argues that failure may also end with a positive outcome and many firms learn from failures. Industrial ecology theory suggests that the success or failure of a firm depends on the population of the firm (Hannan & Freeman, 1977). Some theories of the age of organizational success or failure suggest that young organizations can fail due to less experience. When leader and followers work independently, the organization will fail (Stehlik, 2014). The cost of learning for a beginner is also high (Stinchcombe, 1965).

Citing the upper echelon theory of success or failure, Hambrick and Mason (1984) considered leadership and the management team along with their successor to be responsible for organizational success or failures. Another theory of success or failure is the 'Curse of success or failure theory' and it suggests that success breeds success and failure breeds failure (Miller, 1990). However, contrary to this, Whetten (1988) viewed that the organization, which was successful in the past, may be the most susceptible to failure in the future. Likewise, Threat Rigidity Effect Theory suggests that the rigidity of the organization due to organizational inertia affects the management to deal with an external crisis, where the senior management due to rigidity focuses on internal minor issues forgetting the major external threats of the organization (Staw, Sandelands, & Dutton, 1981). All the researchers agreed that organizational success or failures come under organizational performance. Therefore, the leaders of the firm and their actions and perceptions are the vital causes of organizational success or failure (van Witteloostuijn, 1998).

In addition to the above, organizational performance depends on the strategy of the organization. A business that makes nothing but only money is a poor kind of business. A strategy is not successful until it gains value for the organization (Mauri & Michaels, 1998). Supportive leadership, management commitments and management stability are a few

factors of organizational success or failures. The continuous change of the organization is the critical factor of success. However, organizational change is not possible without effective leadership. As a corollary, without organizational change, organizational performance is not possible (Flamholtz & Aksehirli, 2000).

A conceptual framework helps a researcher to reach his/her research goal. All directions of the research are clearly illustrated in the conceptual framework (Shkedi, 2005). In the following diagram, authors have shown a conceptual framework of the authors' research study. Authors have chosen three successful airlines and three failure airlines as the units of analysis. In this research, authors have included phenomenology, narrative analysis and descriptive methodology. A conceptual framework for the research is designed based on the available literature, research gaps, research questions and research objectives are shown in the following figure.



*Figure 1.* Conceptual framework of the research study.

In the above research design, authors have included both subjective and objective factors of leadership as well as organizational performance in the Nepali airlines and tried his best to find out the leadership influence on organizational failures or success. Leadership and organization are two sub-units of analysis. Authors have carried out all his research work

as per this conceptual framework. Authors have elaborated more on this, thus setting the road map of the research in following heading.

### **3. METHODS**

In this research, authors have used case study methodology. A qualitative methodology was ideal for the research to understand the central phenomenon (Byrne, 2009) since it identified important factors and laid the foundation that focused on lived experiences from the participants' perspective (Lambert & Lambert, 2012; Magilvy & Thomas, 2009). Therefore, a qualitative descriptive case study design was selected for the study because the participants revealed a more detailed understanding of their perspective on the phenomenon of the success or failure of the aviation business in Nepal (Leedy & Ormrod, 2013). In this research, leadership and organizational factors or variables were subjective and thus authors have chosen a case study approach. Besides, case study research is the best for limited cases or limited events to understand their relationship (Creswell et al., 2007). Multiple case study helps to understand a similar case and their commonalities (Creswell et al., 2007).

The main data were collected from the CEOs with the help of interview methods. Twenty questions were designed for the leadership discipline and twenty questions were designed for the organizational performance discipline. These unstructured questions were designed as per the research objectives and in line with research questions. Secondary data were gathered from various magazines, journals, books, published and unpublished research literature, archive, newspaper reports, etc.

For the data collection, all aviation organizations located in Kathmandu were chosen. This was a multiple case study research using the key information gathered via observations and interviews. Different models were used to explore the solutions to the research queries. The final result led to a practical model that sums up the whole idea of this research. The practical use of this case study method was used to understand the headship and organizational output (Yin, 2009) of the aviation organizations in Nepal.

This research study used exploratory inquiry research, case study, to explore the issues of the role of management in organizational success or failure within a bounded system (within the airlines industry) (Stebbins, 2001). Qualitative inquiry aided in gaining an in-depth insight into the changed management experiences of the CEOs of the respective airlines. A study of six different airlines was performed using an open-ended interview to determine



leadership elegances and organizational performance. This case study was also used for the theory testing, judging the validity and scopes of single or competing theories (George & Bennett, 2005). Authors have developed a theoretical model of organizational success for the airlines industry and Porter's five force of organizational performance was examined by using research findings.

In this study, authors have selected three successful and three failure cases based on the purposive sampling technique. Authors have used purposive sampling because it was useful to understand the fundamental thought of the phenomenon (Creswell, 2005; Creswell, Hanson, Plano Clark, & Morales, 2007) in-depth; however, there were some criteria. All six cases were chosen due to their richness of information under study. Purposive sampling is the best in such an information-rich context of the case (Patton, 2002). To reduce sampling bias, a multistage purposive sampling strategy has been used (Tunis, Stryer & Clancey, 2003). Authors have selected five successful and five failure airlines at the initial stage of study and due to their richness of data and purpose of the study, two successful and two failure airlines were dropped out. Finally, three big, medium and small airlines were chosen in both successful and failure airlines. Authors have considered those airlines that were financially positive and operational for more than 10 years as successful and those airlines, which had seized their operations due to financial loss, were taken as failure ones. Therefore, airline as such has been considered a unit of analysis and sub-units of analysis designed for this multiple case study were leadership and organizational factors.

Authors have taken top performer airlines Annapurna airline, Dhaulagiri airline and Machhapuchhre airline as successful airlines. Dhaulagiri was selected based on its ownership, which is a semi-governmental organization, and Machhapuchhre was chosen for its size. Authors have selected available big size, medium-size and small, three types of successful and similar three types of failure airlines, which can give justification of size theory of success and failure. Ownership and size of the organization are the main reasons for a purposive sampling of the case for the study. Machhapuchhre is smaller as per aircraft fleet size but doing well for more than 15 years. Therefore, the sample consisted of aviation industries CEOs, owners/leaders in Nepal who (a) are currently an owner of an airlines industry, (b) their airlines have been in business for at least 10 years (for successful airlines), (c) in the case of failed airlines, a CEO who has an experience with a failed business for at least 5 years. The participants (n = 6) were involved in unstructured in-depth interviews. The successful and failure airlines were studied separately as in the subsequent headings.

Three Nepali airlines industries that are successfully operating at present were chosen as case S1 to case S3 and similarly other three airlines which have closed their service was chosen as case F1 to case F3 for the study. Authors have selected Kathmandu for field observation and interviews and chose all present and past CEOs of the airlines who worked for at least 5 years in their organizations.

In leadership, mainly traits, determinants and their perspectives have been thoroughly studied and in organizational factors, main structure, culture, strategy, and environment have been taken into account. All these factors have come from the literature review. The unit of analysis also known as "quintain" and in this research, the airline is the quintain. It means the quintain of the case comprised airlines leadership and organizational performance which were studied from multiple case study approach (Stake, 2006). A multi-case study was organized around four research questions.

After the collection of data, in the first stage, the information was coded. The data analysis process was as per the following flowchart. Two tactical ways to examine data: direct interpretation and categorical aggregation were used (Stake, 1995). Epistemological commitments in this research are constructivism and existentialism (nondeterminism) as suggested by Stake. MAXQDA-2020 software was also used for data analysis. Therefore, authors have done the manual analysis as well as a used MAXQDA-2020 software tool for data analysis. The MAXQDA-2020 software helped with the coding of the document and data analysis (Creswell et al., 2007). Using this MAXQDA-2020, authors have coded the data and generated the common themes of the leadership and organizational factors which were responsible for airlines success or failures.

Cross case analysis of three successful and three failure cases was carried out (Stake, 2006). Authors have tabulated all common points of leadership factors and common points of organizational performance factors that are responsible for success or failure. Consistency of the quintain is the power of the cross-case analysis (Stake, 2006). Authors also has done a within-case analysis of all six cases based on Poirier and Ayres' (1997) suggestions. Authors have used Moustakas' (1996) modified Van Kaam method for data analysis. As per Moustakas 'modified van Kaam method of data analysis, author have followed the seven steps of data analysis: horizontalization of data, elimination of irrelevant elements, clustering of codes or meaning units into themes, authentication, creating written reports,

making fundamental reports, and making written structural descriptions (Moustakas, 1996). Interview protocol and code book are listed in the appendix.

To maintain the credibility of his work, authors have utilized several strategies and techniques. Firstly, construct validity has been carried out using multiple sources of evidence. Three aviation veterans and one minister of civil aviation were selected to crosscheck both the success and failure cases. Furthermore, additional validation of the result was carried out by asking the key questions to senior aviators, who were then employed in various airlines. Likewise, the internal validity of the cases was carried out by performing the within-case analysis and through pattern matching of themes. External validity was also confirmed by the replication of views of the CEOs and their logic of success or failure of the airlines. Neuman (2006) suggested that the case study protocol can help ensure the credibility of the case study. Authors have used the case study protocol to achieve the credibility of the research findings. Authors have sought information from multiple sources to make a more reliable and valid case study. Multiple sources of information and triangulation of interviews can minimize the bias of the researcher and help to make more credible research (Flick, 1992).

#### **4. RESULTS**

Most of the present, as well as past aviation leaders, expressed their strong view based on their lived experience. Qualitative methodology was chosen since quantitative research of the aviators would not be enough to find out the subjective performance of the aviation industry. There is a substantial relationship between leadership and organizational performance (Venkataraman, 1997). During these multiple case study, authors interviewed more than 6 senior airline executives. Based on the findings and observations, qualitative results are discussed in the following major themes and sub-headings. Based on in-depth interviews with the CEOs of three successful airlines (S1,S2 and S3) and three failures airlines (F1, F2, and F3 ), the following case study findings have been summarized and the results have been verified by veteran aviators i.e. respondents R1 to R11 and listed in these different themes as bellow:

##### *Theme L1 (Leadership Traits and Determinants)*

Leadership depends on a leader's personalities (Bingham, 1927). As mentioned by all CEOs of successful airlines, there is a resilient connection between leadership and organizational

performance. Their leadership styles are more or less similar to transformational and visionary leadership styles. As per them, trustworthiness and vision are the two main qualities of aviation leaders. Single leadership is always better than group leadership. As per the research findings, the role of leadership for organizational success is about forty per cent, whereas government policies play fifty per cent roles and the external environment has ten per cent influence.

The strength of personality over leadership was a dependable theme. Leadership depends on leader's personalities (Bingham, 1927) and the industrialisation of business. Among the cases studied in this research, the failure of any airline industry was due to the trading attitude of the leader rather than the industrialization of the business. It was also found that the leaders did not practise the merit-based selection of the employees. Moreover, worker motivation is necessary for the triumph of any airline industry, which they could not achieve. During his research, it was also found that aviation leadership is not like general organization leadership.

Research on genetic influences and leadership performance concluded that personality and cognitive concepts have a high degree of relationship with leadership performance (Arvey, 2004). Moreover, leaders should give voice to their followers. Leaders who follow value-based perspectives listen to followers, give voice to them and therefore are always capable of influencing their lives (Burns, 1978). Therefore, leadership traits and determinants are the factors that can affect organizational performance.

### *Theme L2 (Leadership Styles)*

Most of the successful airlines are practising the transformational type of leadership style. They motivate employees and make the employees feel like owners of the company. Based on the interview with Mr. Bastakoti, the CEO of S1 airlines, it seemed that his leadership style is transformational and somewhat autocratic type. He repeatedly mentioned that he takes advice from others but he finally takes his own decision irrespective of his followers' advice. Mr. Shakar and Mr. Thakuri, the CEOs of S2 and S3 airlines respectively, also believe in the transformational type of leadership style. When leaders believe in their followers and can motivate them, then it can be said that it is similar to the transformational leadership style (Bass & Avolio, 1994).

Based on the findings of this research, the failing airlines are the ones that practise group leadership, rather than single leadership, unlike successful airlines. Group leadership gives

variations of opinions of the leaders and there is a clash of thoughts; which, during a time of crisis, leads to failure.

#### *Theme L3 (Leadership Perspectives)*

Most of the CEOs of successful airlines have perspectives of transparency and continuous growth. Their perspective is similar to the visionary type. The CEO of S1, Mr. Bastakoti, believes in growth. At the end of the year, he looks forward to a positive balance sheet. He is visionary; he has several new ideas for S1 airlines. For instance, he is planning to operate in remote places in the country. Continuous market growth is his bottom line. The present CEO of S2 airline, Mr. Poudel, is also planning to expand their market for the better. Researcher Conger and Kanungo (1988) define charisma as an intangible factor in organizational efficiency. Authors could relate charisma to the leaders of the successful case airlines in Nepal.

However, on contrary, in the cases of the failure airlines, F1 to F3, the CEOs usually had a short-term plan for gain; there was no long-term vision. There was no transparency among the leaders and they did not have any trustworthiness among the leading parties. They tried to use their force to lead. Some researchers defined leadership as the use of force to lead, and without any force, leadership is not possible (Kotter, 1988; Volckmann, 2012). But, it is contradictory, from the case study findings, that leaders can motivate their followers without the use of force.

#### *Theme L4 (Types of Leadership)*

Most successful leaders believe in single leadership. They mentioned that group leadership is better for information collection but it is bad during the decision-making process, especially at the time of crisis. The CEO of S1 airline has a habit of taking a decision on his own choice. So far, he claimed that he had a maximum number of good decisions and very few or even almost zero bad decision. Either good or bad, he takes all responsibilities for the company. In contrast, they practise group leadership in the failure airlines. Because of this, at the time of any crisis, there was a clash of opinions. This resulted in the failure of their airlines.

Leadership and organizational performance are some of the great issues of discussion. In the last 100 years, no concrete conclusion on leadership and performance has been established (Cannella & Rowe, 1995). Leadership and organizational performance are important because a leader can affect the performance of the organization (Rowe et al., 2005).

### *Theme O1 (Human Resource)*

Administrative and technical innovations can also affect the organization (Evans & Dermer, 1974). In view of this, S1, S2 and S3 airlines' employees are highly motivated, proactive, committed and highly efficient. They believe in on-time performance. They believe in the best pricing strategy for the ticket. Without sustainable pricing, there is no profit, and as a result, airlines may collapse. As per the interview with the CEOs and other employees of S1, S2 and S3 airlines and the authors' personal observation during the field visit, the following findings registered based on the analysis: They prefer merit-based employee selection process, no discrimination based on gender, they consider all employees as owner, ownership feeling within employees is there due to profit distribution, and highly qualified and well-educated employees. However, in the cases of most of the failure airlines, these above-listed points were not found. They never practised merit-based selection in their company. All employees were selected as per their relationship with the management.

### *Theme O2 (Technology)*

Annapurna airline (Case S1) always prefers old aircraft to reduce the overhead cost. They always end up with a positive balance sheet. Their profit ratio is higher than S2 airline. However, S2 airline always goes for brand new technology as per the government rule. A new aircraft needs to operate 20 hours per day to get profit but in Nepal, they are operating less than 10 to 12 hours per aircraft. So, it is not possible to gain profit if they work according to the regulation of the government. It shows that "There is no aviation friendly regulation and procurement policy," Mr. Shakar added. Mr. Thakuri, the CEO of S3 airline, also agrees about old aircraft to reduce cost. Technology and organizational performance have a strong relationship. Researcher Baum and Raelin (2003) and Daft (1982) found that if there is higher complexity of technology there is greater complexity in structure. However, all failure airlines were operating with new aircraft. They told me that they hardly even achieved their break-even point. They all accepted that in a country like Nepal where night movement is restricted due to difficult terrain, it is always better to operate on old aircraft to reduce the overhead cost.

### *Theme O3 (Structure)*

The best organizational structure is one that can increase performance and make work easy within the departments (Harris, 2007). All three successful airlines' organizational structures are organic type and mostly have multitasked their employees. They have a horizontal structure except for S2, which is practising a matrix structure since they are a semi-

governmental organization. In fact, the structure itself does not have major effects like leadership, government policies and external environment on the success and failure. Contrarily, the failure organizations, F1, F2 and F3 airlines, had no specific organizational structure and they never focused on institutionalization.

*Theme 04 (Environment, especially Geo-Political)*

Mostly all successful, as well as failure airlines, pointed out to the environmental factor for their share of the success or failure. All CEOs of Failure airlines repeatedly mentioned the September 11 incident in the USA and Indian airline hijacking from Kathmandu, also contributing to their failure. Because of those incidents, they had to pay the higher insurance premium and the flow of tourists also drastically decreased in Nepal. According to Mintzberg et al. (1998), the environment of an organization is very dynamic in nature. Thus, to sustain this dynamism every factor is responsible in the equivocal range. In strategic management trend, both internal and external environments should be balanced and harmonized. Likewise, Child (1972) emphasized the balance of organizational internal strengths and external threats from their environment for greater performance of the organization. Top management is responsible for such a balance of strategy.

*Theme 05 (Safety Culture)*

The culture of the organization can influence organizational performance (Ting, 2011). Almost all CEOs mentioned that they had and still have a luck culture in their organization. In Nepal, power distance is high and this is not acceptable for safety culture (Bastola, 2017). Mr. Shakar said, "In aviation, low power distance is appreciated". Relating to the safety culture in the aviation industry, a Veteran Aeronautical Engineer, Arjun Gorkhali, Age 41, said:

Unlike general organization, which thrives on risk-taking attitudes, aviation organization does not work that way, as safety is the key in aviation. The crash of the max 8 series of Boeing industry has taken a huge toll on its reputation and hence the market value. The customers have lost confidence in it. Thus, in the aviation industry, engineering and safety issues should always be given a top priority. (Field note, 1<sup>st</sup> September 2019)

The values and behaviours of individuals are important to guide them for the success of the organization (Schein, 1990). Sometimes, counter-culture also affects organizational performance. Counter culture is just opposite to the organizational culture. Counter culture is the result of undue pressure on the employees and once it crosses the limit counter

culture will be generated (Kerr & Slocum, 2005). S1 airline is practising just culture and other successful airlines are also practising safety management systems. They all agreed that aviation safety is one of the issues for their organizational success or failure. S1 airline has had only one crash so far and is considered one of the safest airlines in Nepal. Due to this image, they have higher customer loyalty. On the contrary, as per the research finding, the safety culture of the failure airlines shows that they were not giving much priority to aviation safety. The aircraft crash rates were also found to be high in these failure airlines, compared to the successful ones.

#### *Theme O6 (Strategy)*

The strategy of S2 airline is to sustain their operation based on ground handling services. Their strategy was the expansion of the fleet at the time of Mr. Kangshkar. He mentioned, "My aim was buying six narrow-body aircraft and two wide-body aircraft within 1 year, but I succeeded in buying only two aircraft." Even that was a record in the history of S2 airline. "Market expansion was our strategy," he added. Research showed that all successful airlines want continuous growth and for that, they are looking for the market. Mr. Bastakoti, the CEO of S1 airline, told me that he is planning to expand his domestic flight in a remote area of the country. As such, a strategy is a powerful tool for an organization to upgrade its performance. With respect to time, it can influence the organization and its economy (Baum & Rowley, 2005).

No failure airlines F1 F2 and F3 had such a strategy for their operation. Due to their group leadership, they were always brought down to their internal conflict. Mr. Deep, the CEO of F1 airline, told me that if their management materialized his vision, their airline could have survived. Lack of vision and proper strategy also were some of the reasons for their failure. Whereas all successful airlines in Nepal are adopting the Natural System strategy, it is adjusted as per natural equilibrium.

#### *Theme O7 (Frequent Leadership Change)*

All successful airlines except Dhaulagiri airline (Case S2) have a permanent type of leadership. Frequent leadership change is the main problem in S2 airline. In their history, not a single leader has completed their tenure successfully. Mr. Shakar was removed from the position of CEO just after three years and was sued for corruption when he bought two



wide-body aircrafts. However, he was again appointed later, when he won the case from the court. Internal politics within S2 airline is there, as per Mr. Shakar. However, S2 airline is operational due to its semi-government ownership and thereby receiving continuous support from the government of Nepal. With exception of S2 airline, frequent leadership change leads to failure as per the experience of CEOs from failure airlines. Most of the failure airlines had group leadership and their leadership was changing quite frequently, contributing to their failure.

#### *Theme 08 (Unhealthy Competitions)*

The unhealthy competition was one of the causes of the failure of F1, F2 and F3 airlines. Mr. Bastakoti is a very experienced CEO in the aviation business. He realizes that in Nepal unhealthy competition among airlines is high due to unclear aviation policy. This can be better explained by the tragedy of common which is a theory formulated by Dr. Garrett Hardin (Hardin, 1968). Due to frequent government changes, policy formulation is also affected by each new government and room for unhealthy competition enlarges (Bastakoti, age 58). All failure organizations accepted that they could not manage the unhealthy competition and ultimately collapsed. Lower the organizational conflict, more will be the organizational output or performance (Keller, 1975).

All successful airlines are able to manipulate the competitions and they all agree that there should be a strong relationship with political power to manipulate the situation. The CEO of F2 airline, Mr. U B Tamrakar, told me that their airline was one of the victims of unhealthy competition from S1 airline. All successful, as well as failure airlines CEOs, agreed that the CEO of S1 airline has a better relationship with the governmental body than any other airlines in Nepal. That is why S1 airline is in the first position until today. Nonetheless, relationship with politicians alone cannot lead the organization. Therefore, we can conclude that unhealthy competition is also one of the factors of the failure of the airline in the past.

#### *Theme 09 (Government Policy)*

No single research has been carried out before the formulation of any aviation policies in Nepal. Without a thorough study, they implement the policies and later realized that it was a mistake, as mentioned by Mr. Bastakoti. He said, "Government policies formulation is a

very difficult task in Nepal due to the influence of political parties. Each time when the government changes, they try to change the policies to show off their work in the ministry” (Bastakoti, 58). CEO Bastakoti further added that frequent policy change has a huge impact on the aviation sector. The government needs to think seriously regarding the compliance of the regulation. If bad or irrelevant policies are implemented, then compliance is difficult. During the compliance phase, they can start from many and finishing with just a few things (Benedek, 2012). The CEOs of all other successful, as well as failure airlines, also mentioned the same thing regarding the government policy. Hence, it can be concluded that the government policies not only contributed to the failure of the airlines, but they also are the primary factors for both failure and successful airlines.

*Theme O10 (Political Instability)*

Political instability adversely affects the airlines industries of Nepal. Based on research, every political leader, when he became the civil aviation minister, likes to change some policies to show some new job to the public. Political instability has no direct effect but unstable government and frequent government changes can lead to unwanted aviation policy, affecting both successful and failure airlines. Too frequent leadership changes can affect the economic growth rate. To achieve a higher growth rate, efficient public administration is vital (Jones, 2005).

Table 1

*Overall Findings of Multiple Case Study*

Themes	Findings of successful airlines as per case study of successful airlines Case S1 to Case S3	Findings of failure airlines as per case study of failure airlines Case F1 to Case F3	Overall findings of success and failure of the airlines as per multiple case study (Study Conclusions)
Leadership Traits and Determinants	CEO or MD have sound academic knowledge in aviation, we can observe perfectionism in them	CEO or MD of failure airlines were mostly from a non-aviation background	Dynamic, time-sensitive and perfectionist leader will be the best for the airlines CEO.

Leadership Styles	Transformational Leadership styles, Coaching leadership Styles, Visionary leadership style, Deckplate leadership style*	They were practising classical leadership styles, Autocratic leadership style, Laissez-faire Leadership Style,	Transformational, democratic leadership styles and visionary leadership styles are the best for higher performance, Deckplate leadership * also seems to be the best
Leadership Perspective	Situational perspectives and Excellence perspectives, Relationship Perspectives of Leadership*, Institutionalization perspectives of leadership*	Business leadership perspectives*	Situational Leadership is the best perspective for successful airlines, however, relationship perspectives of leadership seem to be the best in a country like Nepal
Types of Leadership	Single Leadership,	Group Leadership	Single leadership is the best compare to the group,
Human Resource	Merit-based recruitment system	No merit-based recruitment system,	The merit-based system is highly demanding
Technology	Mostly second hand	New Aircrafts	Old aircraft are the best to reduce overhead cost
Structure	Organic Structure	Functional Structure mostly Unitary Form	Organic and horizontal structure
Environment (especially Geo-Political)	Many flights are adjusted as per the situation	Could not manage environmental external pressure.	Continuous monitoring of the external environment is a must to react
Safety Culture	Just Culture. No punitive action for the mistake. Luck Culture*, Low power distance	No Just Culture. Luck Culture*, High power distance	Safety management system and just culture are the best, the role of luck culture can be ruled

			out, Low power distance is the best for success
Strategy	Natural System strategy	Open System strategy, Short term monetary gain strategy	Natural system strategy
Frequent Leadership Change	No frequent change of Leadership	Frequent change of leadership	Stable leadership is best
Unhealthy Competition	Less effect of unhealthy competition	Unhealthy competition several times before failure.	A cooperation strategy where the balance of cooperation and competition will be highly desirable
Government Policy	Try to cope with Government	They could not cope with Government policies	Government policies are as such not the cause of success or failure of the airlines in Nepal.
Political Instability	Very little effect on their operation	High effect on their operation.	Significant relationship of political instability with airlines performance

Note: \* Specified themes/ codes in the above table, which are not clearly defined in the existing literature though, have currently been practised by the Nepali aviation leaders as per the multiple case study findings.

Successful airlines are mostly practising transformational, coaching and visionary leadership styles whereas failure airlines were mostly practising classical, autocratic and laissez-faire leadership styles. As per the research findings, transformational, democratic and visionary leadership styles are the best fit for the higher performance of the airlines. On the one hand, successful airlines' leaders are practising situational and excellence perspectives. Most of the successful airline leaders have also been practising relationship leadership perspectives in Nepal. This new perspective has not been mentioned in any literature so far. On the other hand, failures airlines were practising trait, authentic and business leadership perspectives. As per the research findings, situational leadership is the best perspective for successful airlines. Furthermore, successful airlines have single leadership

whereas failure airlines had group leadership. As per the research findings, single leadership is better than group leadership in the airlines business.

## **5. DISCUSSION**

Successful airlines have a merit-based recruitment system whereas failures airlines had no merit-based recruitment system, recruitment was based on recommendations. As per the research findings, a merit-based system is highly demanding in the airlines industry due to its high-tech nature. Mostly, second-hand aircraft are in use in successful airlines for less overhead cost and new and costly technology were used in the failure airlines in the past. As per the research findings, new aircraft which needed a huge amount of investment were bought but in a country like Nepal where night flying restriction is imposed due to its terrain and airport facilities, old aircraft are the best options to reduce the overhead cost.

The structure of successful airlines is an organic type whereas in the failure airlines it is functional mostly unitary form. As per the research findings, the organic and horizontal structure of the aviation organization is appropriate for better performance. Successful airlines can manage the external environment. They manage environmental/external pressure by managing internal adjustment, flight sector. The numbers of flights are adjusted as per the situation. In contrary to this, failure airlines, could not manage environmental/external pressure. No quick flight arrangements and many flight adjustments could be made as per the situation. The situational scan was not performed. They did not have an R and D department in their organizations. As per the research findings, continuous monitoring of the external environment is a must to react in advance and adjust the flight operation. There should be an R and D department in each airline.

Most successful airlines have a safety culture. They have just culture, which means, no punitive actions are taken for a mistake. Safety culture is the backbone of the airlines. In the failure airlines, they had no just culture. They were hardly concerned and focused on safety; since they had issues of managing conflict. As per the research findings, a safety management system and just culture (no punishment for the reported mistake) should be there. There is a luck culture in both successful as well as failures airlines, which shows that it can motivate higher employees' performance. Nevertheless, it does not play any role in aviation safety. Most of the successful airlines have a natural system strategy; it is adjusted as per natural equilibrium. The failure airlines had an open system strategy and were based on their financial power. As per the research findings, the natural system strategy is the

best strategy for the airlines industry. The strategy of all the failure airlines is short-term financial gain and they are adopting business leadership perspectives.

There is no frequent change of leadership in successful airlines whereas a frequent change of leadership as per personal need and not as per organizational need had taken place in the failure airlines. Leadership should be stable and should be in position at least for five years, because, for the newcomers at least one year is required to acclimatize themselves with the aviation business.

There is very less effect of unhealthy competition, they identify the situation and keep themselves away from such unhealthy competition in the successful airlines but the failure airlines were practising unhealthy competition several times before failure. As such, unhealthy competition is one of the contributory causes of the failure of the airlines in the past. Instead, a cooperation strategy, where a balance of cooperation and competition will be maintained, is highly desirable (Gnyawli & Park,2011).

All successful airlines try to cope with the government policies and can influence the government for suitable policies for the company. Mostly, leaders are capable to influence the government for a suitable policy. They have enough backup resources compared to the failure airlines. However, failure airlines could not cope with the government policies and could not influence the government for suitable policies for the company. As such, leaders in the failure airlines were not capable of influence. They did not have enough backup resources compared to the successful airlines. As per the research findings, the leader's capacity to cope with the government policies and not able to work together with the government before the formulation of the policies are the main causes of the success or failure of airlines.

Lastly, all successful airlines have very less effect on their operation, although political stability is one of the major factors for success. Leaders are capable of handling the situation. In the case of failure airlines, they have a very high effect on their operation. Political instability was one of the major factors for failures. Leaders could not handle political instability properly. As per the research findings, there is a significant relationship between political instability and the airlines' performance. Three distinct conditions can be observed about leadership and organizational factors. One is the condition of a leadership-dominated relationship. It means leadership factors are in a position to dominate the

organizational factors and can drive the organization towards success or failure. The second condition is an equal relationship. It means leadership factors and organizational factors are equally responsible for organizational success or failures. The third condition is the organizational factors dominated relationship. It means, organizational success or failure is not because of leadership but it is due to organizational factors. In the following headings, these three different types of leadership and organizational factors' relationship as per their domination is reflected. After finalizing the conclusion of the research findings, Authors personally contacted the key six respondents and asked their views on these research findings. Authors discussed with key respondents as well as veteran aviators, about the successful model of the airlines and most of them have fully agreed on these research findings. However, leaders from failure airlines blamed organizational factors more than leadership factors for the cause of their organizational failures but as per the case study, both leadership, as well as organizational factors, are responsible for the success or failures. Nevertheless, following leadership dominant relationship and organizational factors dominant relationship has existed in the airlines under study.

### **5.1 Leadership Dominant Relationship**

In this leadership dominant condition, an organization can fail due to poor leadership. Even though the organizational factors are well in place and favourable to the performance of the organization, an organization can still fail due to leadership factors. This finding came from multiple case study, which has been derived from Dhaulagiri airline (Case S2) and Koshi airline (Case F1). In Dhaulagiri airline or Case S2, due to its background, it has sound organizational factors, since it is government-owned; its performance is poor due to leadership. Frequent leadership change and lack of authority of the leaders are a few causes of poor leadership in case S2. It is successful due to the resultant effects of its organizational factors. It has a very profitable ground handling department, which is the backbone of its success.

Koshi airline or Case F1 is another example of an organizational factor-driven organization. This Koshi airline also failed due to poor leadership. Leadership factors were in dominating role in the performance. Similarly, Gandaki airline or Case F2 had failed due to leadership factors than organizational factors. Machhapuchre airline or Case S3 has sound leadership than its organizational factors and thus the airline is doing well due to its leadership as a driving force for this organization. Mr. Thakuri is a very dynamic leader as per the case findings.

## **5.2 Organizational Factors Dominated Relationship**

In this organizational factors dominant condition, an organization can fail due to poor organizational factors. Even if leadership factors are well in place and favourable to the performance of the organization, an organization can fail due to other organizational factors. This finding came from multiple case study findings, which have been derived from Dhaulagiri airline (Case S2), another way round, an organization also can be successful due to its sound organizational factors even if the leadership factors are poor. Dhaulagiri airline or Case S2 is successful since its organizational factors are dominating the leadership factors. It is successful despite its poor leadership due to higher resultant effects of the organizational factors. Organizational factors are in the leading role in this airline than leadership factors. Therefore, an ideal condition for the greater performance of the organization is only possible if there is a balance between leadership as well as organizational factors. Both leadership and organizational factors are responsible for organizational success or failure.

## **5.3 Equivalent Relationship of Leadership and Organizational Factors**

Both leaderships and organizational factors are equally responsible for the success or failure of the organization. The six different cases illustrated that some airlines have better organizational factors than leadership factors and vice versa. Leadership, as well as organizational factors, was responsible in the case of Karnali airline or Case F3. In this case, both leadership and organizational factors were poor. The leader did not have any knowledge of the aviation business and unable to lead the airline industry. More so, its organizational performance was affected due to external environmental condition as well as organizational conflict and poor infrastructure.

Both leadership and organizational factors are responsible for the success or failure of the airlines. The effects of both leadership and organizational factors are equal in this condition and the organization is driven by both factors. Annapurna airline or Case S1 is in this condition where Mr. Bastakoti's leadership qualities, as well as organizational factors of Annapurna airline, have a great impact on the success of this airline.

## **6. THEORETICAL AND EMPIRICAL CONTRIBUTION**



There are a few new leadership and organizational theories that emerged during this study and therefore they can be established based on multiple case research findings. One theory is that an ideal condition for the greater performance of the organization is only possible if there is a balance between leadership as well as organizational factors. The second theory is that the relationship perspectives and institutionalization perspectives of the aviation leader are the best perspectives for leaders who are working in aviation industries in countries like Nepal. Moreover, deck plate is the best leadership style for the aviation industry in the countries like Nepal. Another new finding is that employees have greater performance when they are under direct observation of the leader. The third theory is that Luck culture (perpetually fortunate due to serendipity) has a great motivational factor and can add to the performance of the employees in a developing country like Nepal. However, as per the research findings, it does not have any relationship with aviation safety. The fourth theory is that the short-term financial gain strategy is not successful in the aviation industry. Likewise, the fifth theory is that successful leadership is the one that can handle the external environments as per their organizational environment. The natural system strategy is the best strategy for a country like Nepal.

Many themes or factors come out as per the research findings and those factors of leadership and organization have some effects on success. In the leadership discipline, single leadership is considered the best. Likewise, the transformational leadership style appears to be the best in aviation. A CEO's knowledge of aviation can play a positive role in performance, hence leading to organizational success. The visionary leadership perspective and scientific management perspective of a leader can achieve organizational success. The CEO of Annapurna Airlines (Case S1) is practising a scientific management perspective as well as a visionary leadership perspective.

Organizational factors as per the research findings are the structure of the organization, safety culture, technology, political instability, external environment, human resource, unhealthy competition, frequent government change, the strategy of the organization, and government policy. These factors have direct effects on organizational performance. A leader can affect these factors by making his/her decisions. Therefore, as per the case study findings, organizational factors have a greater influence on organizational success or failure than leadership factors; however, it is very hard to isolate leadership alone to achieve organizational success or failure.

As per the case study findings, organizational factors, like technology, safety culture, government policy and external environment had/ have a significant role in success as well as failure. As per the case findings, those airlines that operate new aircraft become unsuccessful in Nepal. For new technology, at least they need to operate 20 hours per day; it is not possible in Nepal due to our geo condition. Those airlines that follow just culture have better safety performance and are gaining profit. Moreover, government policy is also very vital for success or failure. Most of the case report suggested that fuel pricing is the key to success. The cooperation strategy of the aviation leaders to make aviation friendly policies from the government is another factor for success.

In summary, both leadership factors and organizational factors are responsible for airline success or failure in Nepal. Organizational factors have greater effects than leadership factors. However, a leader is responsible to manage all organizational factors that should be aviation friendly to achieve success. For example, the selection of technology is the responsibility of a leader. Therefore, the role of leadership on organizational performance is very high in the aviation industry. In the Nepali context, all successful airlines have great leaders, mostly single leadership, and organizational factors are managed by making a better cooperation strategy for success.

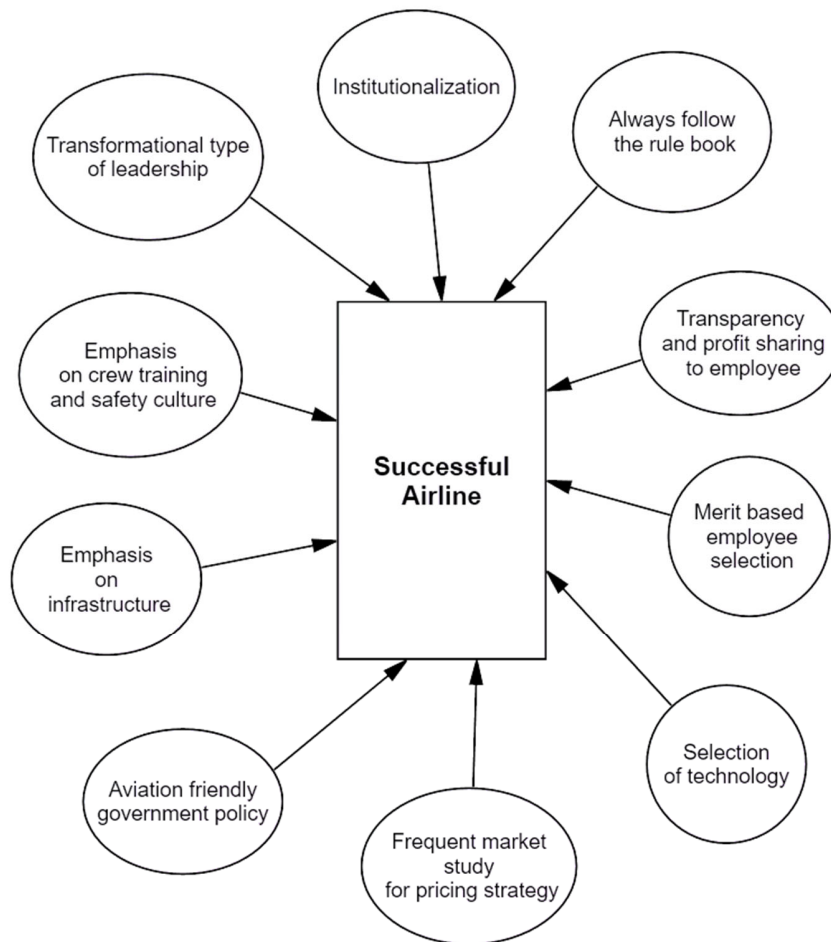
All three types of the relationship of leadership factors and organizational factors discussed in earlier headings concluded that organizational success or failure is the result of the combined effects of leadership and organizational factors. Sometimes leadership factors may be more responsible for success or failure and sometimes organizational factors are more responsible. Yet, at other times, the condition of an equal relationship between these both leadership factors and organizational factors can result in organizational success or failure. In all the above three conditions, a leader can play a vital role, this is the conclusion of the research findings.

If the organization can provide safe, reliable and efficient aviation services to the public or its clients, which can be considered successful. Otherwise, if an organization has successive losses, poor quality of maintenance, operations, reliability and frequent fatal accidents, then, in the aviation industry, that should be regarded as a failure. Based on research findings, without sound knowledge, skills, experience and the arts of influencing people in leadership, no organization can achieve success.

As per the research findings, Porter's five forces for organizational performance are not sufficient for the aviation industry. For the aviation industry, in a country like Nepal, the threat of government policies is the major force for organizational success or failures. In the previous chapters, it was stated that political influence, mainly in policies making, was the main cause of most airlines' success or failure in Nepal. Therefore, authors would like to modify the existing theory of Porter in the context of the aviation industry based on the authors' research findings. In fact, it is relevant to add one more force to Porter's (1998) theory. Thus, the modified theory of five plus one forces is as follows: Five plus one forces for aviation organizational performance for a developing country like Nepal are – Bargaining power of organization's customers, Bargaining power of organization's suppliers, Threat of substitute products, Threat of new entrants, and Intensity of rivalry among competing organization (Porter, 1998) and cooperation strategy with the government-owned airlines as well as with the government from the leadership of the aviation organization.

Similarly, a new theory can be developed as per the research findings. For any airline to be successful, the following top ten factors, need to be considered before and after launching the aviation business.

In addition to that, a few new findings also appeared during the multiple case analysis. In addition to transformational and coaching leadership styles, all successful airlines' leaders have been adopting deck plate leadership, institutionalization, and relationship leadership perspectives, all of which are not well articulated in the available literature. Likewise, not all failure airlines had practised deck plate leadership, relationship leadership and institutionalization perspectives; instead, they had practised autocratic and laissez-faire leadership style and adopted business leadership perspective. All aviation leaders were found to believe in Luck Culture in Nepal, which is not widely used in the aviation field around the globe. Besides, all successful airlines are practising cooperation strategy in their aviation business; however, no failure airlines CEO had practised it in their business environment.



*Figure 2.* Organizational success model for airlines.

## 7. SUMMARY AND CONCLUSIONS

The main purpose of this research is to find out the various leadership and organizational factors that are interrelated with organizational performance, that is organizational success or failures. In addition, there are three more purposes of this research that are: to find out the conceptualization and different measures of aviation organizational success or failures, to explore the experiences and perceptions of the CEOs regarding the success or failure of their airlines and to find out the impact of leadership on organizational performance. However, the topic "Success or Failure" is very sensitive, it is quite difficult to convince the respondents and prepare them to talk about their organization. Therefore, it made this research really challenging and limited. It was difficult to gain access to the particular airlines, which were under study.

In summary, three major factors of success or failures of Nepali airline industries are lack of leadership for a competition strategy with the government while formulating the aviation policies, external environment, and aviation safety. Three conditions of leadership and organizational factors include a) leadership factors that are in dominating role than organizational factors for the organizational performance; b) organizational factors that are in dominating role for the organizational performance, and c) both leadership and organizational factors that are equally responsible for the organizational performance. The conclusion is that ideal condition for the greater performance of the organization is only possible if there is a balance between leadership as well as organizational factors.

Thus, this research not only revealed vital information of success or failure of airlines, it modified the existing Porter's theory, developed a few new leadership as well as organizational constructs, tested some theory of success and failures and finally developed a new success model for the airlines. It can loosely be generalized in all other developed as well as developing countries like Nepal, and they need to focus on suitable or aviation friendly policies to be developed in their airline industries and leadership should be capable to make such friendly policies through competition with the government bodies. To achieve success in the airlines industry, aviation leadership needs to follow the newly established success model as well as newly established theories beside all available proven leadership as well as organizational theories.

These findings will also be a valuable academic as well as a reference tool for any service-oriented business organizations around the globe to increase organizational performance. The starring role of leadership in organizational performance, especially in the aviation organization, has been highlighted. These research findings will give insights to all management heads and academician for the betterment of their organizations. Its findings will also help future leaders to prevent their organization from organizational accident or failure and will help to make a successful organization.

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## **APPENDICES**

### **Survey Questions**

#### **Interview Protocol of Leadership and Aviation Organizational Performance, 2021**

##### **Interview Protocol KUSOM, Lalitpur, Nepal**

##### **Interview Opening**

Respected Sir/Madam, I am very grateful to you for your valuable time. Due to our time constraint, I would like to request you to get your permission for the recording of your interview. If you agree, then I will record it and transcribe it at my convenient time and forward one copy for your correction if I have missed any. I am going to ask you two sets of questioners. One is related to leadership and another with organizational performance. Most of the questions are focused on leadership and organizational factors that can affect organizational performance.

*Do you have any worries concerning the confidentiality of information?*

I am going to ask you a series of 40 semi-structured questions, 20 for leadership and 20 for organizational performance. You can stop and ask me your concerns any time in-between while we are in the process of the interview. With this protocol, let us begin...

##### **Interview Questions regarding Leadership**

##### **(Questions 1-20 Oral/ Interview Questions relating to leadership)**

1. In your own words, define leadership. Do you think there is a relationship between leadership and airlines performance?
2. What is unique about leadership in the context of Nepal especially in aviation?
3. How do you apply leadership at a time of crisis when the organization was going to fail?
4. How is the practice of leadership received by employees? Which leadership styles is the best for organizational performance?
5. What are the benefits of adopting your leadership style?
6. What are the challenges in adopting leadership in the aviation industry?
7. What are the key characteristics that leaders should have to lead an aviation organization?

8. How do you understand the leadership styles that you are performing day-to-day in the aviation business in the context of Nepal?
9. How you define organizational success or failure? Do you think organizational success and failure are because of leadership? If so why?
10. How do you, as a leader, integrate reward and punishment into your approach to leadership, when an organization is going towards success or failure?
11. How do you, as a leader, integrate effective communication into your approach to leadership? How do you work with your followers?
12. Based on your experience of practising leadership, what are the various influencing factors for leadership, which can affect organizational performance?
13. Based on your experiences of practising leadership, what are the difficulties as a leader during the organizational crisis? Which one is or was the most challenging one?
14. What other relevant experiences can you share regarding the practice of leadership especially with followers during the decision-making process?
15. Do you have anything to add that is pertinent to leadership in aviation? How frequently are you interacting with the CEOs of other airlines or management teams?
16. How do you mobilize the followers? (What is your present leadership?)
  - Authoritarian Leadership (Autocratic)
  - Participative Leadership (Democratic)
  - Transactional Leadership
  - Delegative (Laissez-Faire) Leadership
  - Transformational Leadership
  - Visionary leadership
  - Others
17. What is the source of your drive for organizational success or failure when you were leading the organization? Which leadership qualities does your CEO have? (Asked to followers, if any)
18. If you have ever attended leadership training seminars for your previous position, do you believe they have benefited your leadership capabilities as a CEO?
  - Yes
  - No
  - Have never attended leadership training seminars?
19. Demographic Information of Respondent
  - Gender: (a) Male (b) Female
  - Age:

- Marital Status:
- Position or title:
- Years in that position:
- Educational Level:

20. Do you think leadership styles in general organizations and aviation organizations differ? If so what are the reasons?

### **Interview Questions regarding airlines organization**

#### **(Questions 1-20 Oral/ Interview Questions relating to the organization)**

1. How do you select technology in your Airlines? Is technology-based on the requirement or as per financial constrain? How many aircraft are operating at present, or was there, in your airlines? How many sectors do you have or have had before? What is your organizational strategy?
2. How many staffs are/were working in your organization? What is the men to women ratio? What is the percentage with total employees? How do you select the CEO/MD/Directors of your airlines?
3. Explain your organizational culture. How much priority are you giving to the safety culture? How do you perceive aviation safety?
4. What do you think about the external and internal environment of your organization? Which external environment is the most influencing factor for organizational performance?
5. Do you have or have had experienced any political interference in your organization?
6. Please explain, what type of organization do you have? Why have you chosen such a structure?
7. What is the biggest threat or opportunity for your organization in the context of Nepal?
8. How do you manage the financial problem? What are the sources? Is it a private or public or Joint Venture Company?
9. How many accidents have occurred in the past? If your company has not had any, what is the main safety defence to prevent such an accident?
10. Based on your knowledge, is there any relationship between aviation safety and organizational performance?
11. Do you practise group leadership in your organization? If so why? If not, why not?
12. How do you define organizational success? What are the reasons for organizational success or failure? List few influencing factors for organizational success or failures. Why have you mentioned these factors?

13. List five main reasons for organizational success in your airlines. Please list as per the order of influence. If your organization has collapsed previously, list five main reasons for its failure. Why have mentioned these factors?
14. Do you have an employee career development plan? Do you have your own training centre? If not, where are you sending your employees for training?
15. Do you have a good relationship with your co-workers, supervisors and manager because of the continuous training?
16. How do you perceive Nepali aviation regulating bodies? CAAN, Govt. of Nepal? Are you satisfied with their work? If not, what are the areas for improvement?
17. Can you give me the data of the financial gain or loss of the past five years of your company and your market share?
18. Do you think cooperation is essential to improve organizational performance? What would you like to recommend for improving the performance of the Nepali airlines industry?
19. Based on your experience, please list few reasons for aviation organizational success or failure in Nepal. What are the top three reasons? If leadership is one of them, what factors or role of leadership are the main reasons for the organizational success or failure?
20. What is your organizational plan for sustainability? What do you want to recommend for the aviation leader to achieve organizational success?

*Is there anything else you'd like to mention that I haven't asked you about?*

*I want to thank you for your time today. In near future, I will be providing you with a transcript of this interview so that you can review your answers to ensure that I have accurately captured your responses. Again, it was a pleasure to get to know you better. I thank you for providing me with this opportunity.*

## Code Book

Table 2

*Code Book of Leadership*

<b>Code</b>	<b>Description</b>
Autocratic	The leader who has absolute power
Aviation leader	Leadership from aviation involves influencing people by providing purpose, direction and motivation while operating to accomplish the mission and improve the organization
Bureaucratic Leadership Style	Bureaucratic leadership is one of the leadership styles postulated by Max Weber in 1947. It is a system of management whereby employees are made to follow specific rules and lines of authority created by the superiors.
Businessman	A man who works in commerce, especially at an executive level.
Commitment	The state or quality of being dedicated to a cause, activity
Deck plate Leadership	A leader who understands a project's mission knows his team and their individual skills and leads by example
Deliverance	A formal or authoritative utterance
Democratic leadership	Democratic leadership, also known as participative leadership or shared leadership is a type of leadership style in which members of the group take a more participative role in the decision-making process.
Ethical leadership	Ethical leadership is leadership that is directed by respect for ethical beliefs and values and for the dignity and rights of others. It is thus related to concepts such as trust, honesty, consideration, charisma, and fairness.
Family division	Separation from the family
Family members	Family Member means a person who is a spouse, former spouse, child, stepchild, grandchild, parent, stepparent, grandparent, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother, sister, brother-in-law, or sister-in-law, including adoptive relationships.
General environment	The general environment is the larger environment within which the task environment is embedded. It includes political and legal forces, macroeconomic forces, demographic forces, sociocultural forces, technological forces, and international forces.

Group Leadership	Group leadership is the management of a group of people to achieve the desired result.
Institutional environments	Institutional environments are characterized by the elaboration of rules and requirements to which individual organizations must conform in order to receive legitimacy and support.
International business environment	International Business Environment is multidimensional including the political risks, cultural differences, exchange risks, legal & taxation issues. Therefore (IBE) International Business Environment comprises the political, economic, regulatory, tax, social & cultural, legal, & technological environments
Investment	An investment is a monetary asset purchased with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit
Laissez-Faire Style	Laissez-faire leadership, also known as delegative leadership, is a type of leadership style in which leaders are hands-off and allow group members to make the decisions
Leadership at crisis	There are actions a leader can take before, during, and after a crisis to effectively reduce the duration and impact of these extremely difficult situations.
Leadership perspectives	Leadership Perspectives are mental grids will be the basis for a leader's decisions and behaviours. Perspectives provide context to frame events so that meaningful interpretations can emerge to inform decisions or responses.
Performance	The action or process of performing a task or function.
Personal interest	Personal interest means a financial benefit or liability accruing to an officer or employee or to a member of his immediate family.
Power distance	Power distance refers to how power is distributed and the extent to which the less powerful accept that power is distributed unequally.
Relationship	How two or more people or things are connected.
Short term gain	A short-term gain is a profit realized from the sale, transfer or other disposition of personal or investment property known as a capital asset that has been held for one year or less.

Single leadership	A simple definition is that leadership is the art of motivating a group of people to act toward achieving a common goal. If only one person as CEO uses his power, it is called single leadership.
Skill	The ability to do something well.
Straight forward	Honest and frank
Organizational Citizen Behaviour (OCB)	Organisational citizenship behaviour (OCB) is a term that encompasses anything positive and constructive that employees do, of their own volition, which supports co-workers and benefits the company.
Strategic Leadership Style	Strategic Leadership is the ability to influence others to voluntarily make decisions that enhance the prospects for the organization's long-term success while maintaining long-term financial stability.
Task environment	The external environment of an organization affects its ability to reach business goals. Any business or consumer with direct involvement with an organization may be part of the task environment. Examples of task environment sectors include competitors, customers, suppliers and labour supply.
Technical environments	Technical environments are those in which organizations produce a product or service that is exchanged in a market such that they are rewarded for effective and efficient performance.
Time-sensitive	The leader who finishes a job in time.
Traits of leadership	Leadership traits are the personal qualities that shape effective leaders
Transactional style	Transactional leaders are willing to work within existing systems and negotiate to attain the goals of the organization.
Transformational style	Transformational leaders focus on change within the organization.
Transparency	The condition of being transparent
Unrealistic plans and goals	Making plans with inadequate analysis and input from the people responsible for implementing the plans
Veteran aviators	A person who served in the aviation industries and who work more than 20 years in the aviation field.
Visionary Leader	A visionary leader is an individual who sees the potential for how the world should exist and then takes steps to get there.



Table 3

**Code Book of Organization**

Code	Description
Availability of aircraft	Availability is defined as the when the aircraft is ready for dispatch
CAAN Policy	A course or principle of action adopted or proposed by an organization (CAAN).
Commonality of fleet	Aviation commonality describes the economic and logistic benefits of operating a standardized fleet of aircraft that share common parts, training requirements
Crew training	Training has been provided to all aviation personals like Crew Resource Management (CRM)
External Environment	An external environment is composed of all the outside factors or influences that impact the operation of a business.
External influence	Outside influences that can affect a business.
Extroversion	Extroversion is one of the five core traits believed to make up human personality. Extroversion is characterized by sociability, talkativeness, assertiveness, and excitability
Failures	Lack of success, if airline closed due to any reasons.
Pacesetting Style of Leadership	Pacesetting is a style of leadership when a leader leads from the front, constantly sets high standards for their team and expects them to exceed with minimal management.
Fuel Price	Price of aviation fuel (Jet A1)
Geo-Political	It relating to politics, especially international relations, as influenced by geographical factors.
Government policy	A government policy is a rule or principle that hopefully better guides decisions, resulting in positive outcomes that enhance the community or aviation unit.
Horizontal Organization	A flat organization (also known as horizontal organization) has an organizational structure with few or no levels of middle management between staff and executives.
Institutionalization	The action of establishing something as a convention or norm in an organization or culture.

Internal Environment	The internal environment refers to the culture, members, events and factors within an organization that can influence the decisions of the organization, especially the behaviour of its human resource.
Just Culture	Just Culture is a concept related to systems thinking which emphasizes that mistakes are generally a product of faulty organizational cultures, rather than solely brought about by the person or persons directly involved.
Lack of leadership	Lack of leadership or Poor leadership can seriously affect employee morale and even cause the company's bottom line to plunge.
Landlocked	A country almost or entirely surrounded by land.
Leadership qualities	A person who can bring about change, therefore, has the ability to be a leader.
Merit-based	In a merit-based system, applicants effectively compete for a job.
Metrix Structure	A matrix organizational structure is a company structure in which the reporting relationships are set up as a grid, or matrix, rather than in the traditional hierarchy. In other words, employees have dual reporting relationships
Multi-tasking employee	Multitasking employees are the ones who can handle multiple responsibilities.
Neuroticism	Neuroticism is one of the Big Five higher-order personality traits in the study of psychology. Individuals who score high on neuroticism are more likely than average to be moody and to experience such feelings as anxiety, worry, fear, anger, frustration, envy, jealousy, guilt, depressed mood, and loneliness
New technology	Brand new aircraft. Any set of productive techniques, which offers a significant improvement.
Organic structure	An organic organizational structure is characterized by an extremely flat reporting structure within an organization
organizational expansion	A business strategy in which growth is obtained by increasing the market.

Personal interest	Personal interest means a financial benefit or liability accruing to an officer or employee or to a member of his immediate family
Profitability	The degree to which a business or activity yields profit or financial gain.
Relationship with politician	Political relation is social relations involving intrigue to gain authority or power.
Safety Culture	Safety culture is the collection of the beliefs, perceptions and values that employees share concerning risks within an organization, such as a workplace or community.
Safety Management System	A safety management system (SMS) is a management system designed to manage safety elements in the workplace.
Short term gain	A short-term gain is a profit realized from the sale, transfer or other disposition of personal or investment property known as a capital asset that has been held for one year or less.
Success	The accomplishment of an aim or purpose.
Unethical competition	Unethical competition is a term that applies to dishonest or fraudulent rivalry in trade and commerce.
Pacesetting leadership	Pacesetting is a style of leadership when a leader leads from the front, constantly sets high standards for their team and expects them to exceed with minimal management. It's when as a manager you set the cadence for your team and demand high intensity in their performance.
Unstable Government	Frequent changing government. It appears that governments operating in stable political contexts have fixed ambitions and long-term goals supported by clear mid-range targets. However, an unstable government cannot do that.
Vision of the organization	A vision is a clear, comprehensive 'photograph' of an organization at some point in the future.