



## **AirBus**

### Change and Stability Management – BMMB7000

## **Executive Summary**

Airbus is a consortium of 4 countries Germany, France, UK and Spain, all of whom have been involved in the production of aircraft collectively since 1979. Production focused on twin engine short haul aircraft of which Airbus had become the lead manufacturer by the early 1990's.

Airbus' main rival was Boeing who also manufactured similar aircraft but additionally dominated the 4 engine long haul aircraft market. The 747 has been in production since 1969 and 1500 aircraft have rolled off the production line in its 50 year history.

By the 1990's it appeared that the emerging market of change was for aircraft of the 747's size and capacity. Boeing and Airbus entered into talks but they ultimately failed.

At this time Airbus was led by a colourful and charismatic personality who had become dominant in his position who in his own words said "Personally, I have been motivated to fulfil what I say - that is to say, we want to be 50-50, which is, in fact, a polite version to one day being No. 1."

To be No1 in the market required Airbus to manufacture an aircraft to rival the 747 of Boeing. Industry experts from multiple sources advised against the change, including Boeing itself.

Analysis of this change has been conducted on various change models including Lewins and Kottler and concluded that neither is really effective for such a complex organisation and that a closed loop management process of change is more

applicable. Additionally, analysis of 20<sup>th</sup> and 21<sup>st</sup> century leadership styles all point to the decision that, personality and power may have played a bigger part in the process of decision making and in the effectiveness of the change that happened.

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## 1 ) Introduction

This document will focus on the history, and emergent change of an industry that affected Airbus and its model A380. It will critically evaluate whether the change has been beneficial or has been a hindrance to organisations. It will evaluate by examining key internal and external drivers such as culture, leadership, power, economic and political pressures and the forces of competition.

The document will evaluate and make reference to theoretical models, ideas and concepts, focusing on organisational development, the socio-psychology of resistance to change and sustaining organisational effectiveness.

This report will utilise a range and variety of data sources including published literature, secondary research and netnography to inform the reader and support the analysis, conclusions and recommendations.

Organisational change is defined as

“A process in which a large company or organization changes its working methods or aims, for example in order to develop and deal with new situations or markets”

(Dictionary.cambridge.org, 2019)

It is with this definition in mind that the following work has been undertaken.

## 2) Airbus History

Airbus is a vast and complex organisation and to get an understanding of the change and the decisions to build the A380 will require some understanding of its history and the political implications that came as part of the formation of the Airbus consortium. Over the past 20 years, the commercial aviation industry has been dominated by two main players, that of Boeing, an American company that has been around since 1916 and Airbus, a European consortium that came finally together in the early 1970's.

The Airbus programme was designed to build the A300 a wide bodied, twin engine jet airliner that can seat 266 passengers, this is effectively a short haul aircraft. At that time Boeing were producing the 747, this in contrast, was a huge wide bodied, four engine commercial jet airliner with a capacity of approximately 500 passengers (it can carry up to 660 in some configurations).

The formation of Airbus shall be briefly highlighted as follows;

In 1967 - ministers from France, Germany and Britain came together and agreed

“for the purpose of strengthening European co-operation in the field of aviation technology and thereby promoting economic and technological progress in Europe, to take appropriate measures for the joint development and production of an Airbus.”

(Airbus, 2019)

Work was to be allocated 37.5 percent each for France and Britain and 25 percent for Germany. Sud Aviation a French company was the “lead company”, whilst Hawker Siddeley was selected as the British partner company.

Just a short time later in 1968-69 despite a gathering momentum for the project, doubts were growing about the escalating cost of the Airbus programme. The UK decided to leave the programme as Rolls Royce would not be supplying the engines for the A300.

It wasn't until 1979 when the British government reportedly offered £50 million to the development of the A310 that they became officially part of the organisation again with British Aerospace taking a 20 percent stake (roughly equivalent to the work it would gain) with France and Germany holding 37.9 percent and the rest held by Spain. (Airbus 2019)

During the oil crisis's of 1973 and 1979 demand grew for new short haul aircraft as it is extremely expensive to fly aircraft with empty seats, a problem for the Boeing 747. Airbus continued with additional new models and would dominate the short haul market.

All the while though Boeing would be growing its 747 market. By the 1990's Airbus took the decision (as it appeared that the market had changed) that what was needed for the 21<sup>st</sup> century was an aircraft that could compete in the increasingly high density long haul routes (London to Hong Kong for example) where, at that time, passenger numbers were growing significantly and aircraft capacity was under pressure. (Airbus 2019)

Boeing and Airbus began talks about manufacturing an aircraft together. It has emerged that Boeing "told their rivals in the 1990s that building a superjumbo was a bad idea, and that even their own 747 was probably too big for the market."

(Forbes.com, 2019)

In fact, when talks stalled about a possible joint venture, Boeing's senior management made it clear that they thought that it would be impossible to make a profit on such a plane.

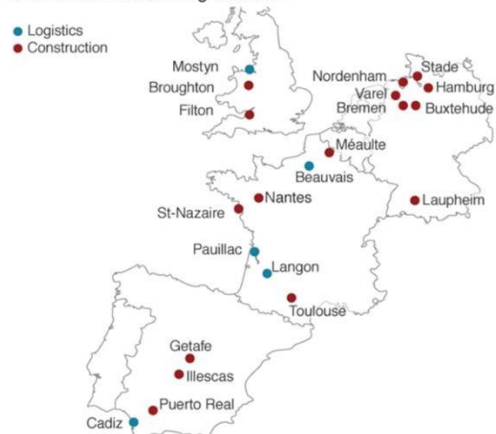
Furthermore, Airbus had also consulted with 20 leading airlines, “several aircraft manufacturing experts, airline executives, industry consultants, airport planners, travel marketing and planning executives and tourism promoters” (Forbes.com, 2019) from around the world all of whom had a similar perspective as Boeing.

But Airbus’ position remained steadfast with additional political pressure from France and Germany and a healthy dose of corporate/executive ego on the line, it was decided to plough ahead with the project of building the A380.

As an indication of the enormity of the project the diagrams below show where the aircraft was built and what individual countries were responsible for building.

#### A380 production

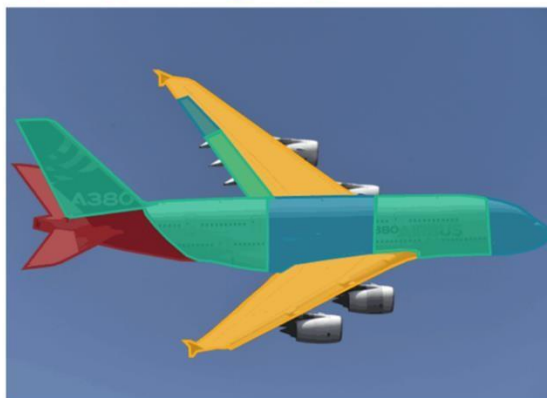
Sites involved in building the A380



#### A380: A multinational effort

Where the different parts of the plane are made

France Germany UK Spain



Source - (BBC News, 2019)

In order to maintain a competitive edge, sometimes deep organisational change is necessary, on this occasion the decision made by Airbus would have a significant

impact on each of the countries involved, the management, the workforce, the suppliers, the consumers and the direction of the industry.

The plan was to build and sell 1500 aircraft (a similar number to the total sales of the 747) the reality, since the first aircraft rolled off the production line in April 2005. has been closer to 330.

So what has happened in the last 30 years since its conception to make this change so catastrophic, in the first instance analysis using a Kurt Lewin force field will be considered.

### 3) Kurt Lewin Force Field Analysis

The table below outlines using a force field analysis the “driving and resisting forces in any change situation. The underlying principle is that driving forces must outweigh resisting forces in any situation if change is to happen.” (Cameron and Green 2012)

| Forces / Drivers of Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Forces / Resistors of Change                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Customer demands - the public</li> <li>• Customers - The people purchasing the plane</li> <li>• Technology - move to 2 engines rather than 4</li> <li>• Management - CEO</li> <li>• European Union</li> <li>• Who are the leaders – EU, Government, Management, CEO's, the airports</li> <li>• The changing market place</li> <li>• Low order numbers - 250 delivered</li> <li>• The Airlines - the buyers of planes (cancel orders)</li> <li>• Negotiations falling through -(Boeing - Airbus)</li> <li>• Not made a profit</li> <li>• Programme not sustainable</li> <li>• Government Loan - May be waived</li> <li>• Complicated and expensive to build</li> <li>• Industry shifted away from larger planes in favour of smaller, wide-body jets</li> <li>• light, fuel-efficient, twin-engined aircraft to link secondary cities Airports</li> <li>• The competition Boeing 747</li> <li>• Budget - £19Bn over budget</li> <li>• Financial crisis 2008</li> <li>• Fuel prices</li> <li>• Aircraft unprofitable when not full</li> <li>• Brexit</li> </ul> | <ul style="list-style-type: none"> <li>• Union resistance - 3000 to 3500 jobs may go</li> <li>• Poor communication channels (Language barriers)</li> <li>• Management structure - to hierarchical</li> <li>• Airbus - This is what we make, this is what you'll have</li> <li>• Length of time to change direction 12 years - physically cannot change quickly. Pace of change</li> <li>• Political will - The EU</li> <li>• Cultural resistance</li> <li>• Process driven organisations (Formulaic)</li> <li>• Process driven construction</li> <li>• Government loans - Heavy burden</li> <li>• Level of investment</li> <li>• Infrastructure huge and spread - difficult to build new factories (time) cannot be moved easily</li> </ul> |

It can be seen from this table that there are many and varied reasons listed amongst the resisting and driving factors. Some of the key barriers to effective change offered above include;

**3.1) Poor communication channels** - as it was proposed from the early onset that the official language chosen for the project would be English, in essence this equates to 80 percent of the operation not speaking in their native tongue.

**3.2) Cultural resistance** – In terms of culture, this is seen as ‘The collection of traditions, values, policies, beliefs and attitudes that constitute a pervasive context for everything we do and think in an organisation.’ (McLean & Marshall, 1993)

This is imperative for an organisation to function, however, for Airbus this spans multiple countries including in some instances more dominant cultures and a not too insignificant number of natural subcultures. An example would include the fact that France as an industrial nation is unionised whilst the UK is not.

“Meanings are themselves embedded in quite distinctive class, regional and national cultures. Each occupation has a quite distinctive pattern that is connected in unique ways to external meaning systems. These patterns may render cultures beyond managerial capacity to influence let alone control.” (Ackroyd and Crowdy, 1990)

**3.3) Management structure** – For change to happen effectively the structure of the organisation needs to be lean and more akin to a flat/horizontal structure. In the instance of Airbus, the management is very hierarchical and therefore decisions that effect change can take a significant amount of time for approval, let alone the additional level of external political decision making. This can mean that irreversible external/internal change can happen whilst decisions are still being taken. A flatter

structure enables employees and employers to make decisions quickly and independently.

It is reported that the charismatic and colourful Airbus CEO Jean Pierson even “Dropped his trousers” to secure an aircraft deal (Newhouse, 2008). With characters like Jean Pierson at the helm of a multinational organisation, it begins to paint a picture of how some decision may have been taken not necessarily for the good of the organisation but potentially for the ego of the CEO. The book goes on to say in reference to the senior executives at the time “There were more larger-than-life characters then by far, now they are all tedious bureaucrats, most of them.” (Newhouse, 2008)

**3.4) Length of time of the Project** – The Length of time from concept to delivery, particularly for an aircraft, is over many decades and the A380 is no different to any other. Once a decision to proceed has been taken, the funding acquired, factories built and staff employed the decision to reverse (change) what has already started is incredibly hard to stop. What may also occur over such a period of time is that (as is the case for Airbus) the market changes. Airbus were dominant in the short haul market and moved into the larger aircraft long haul market but by the time it was in production the market had moved back to short haul efficient aircraft.

Kurt Lewin expands upon this last point when he discusses Unfreezing, Moving and Refreezing and this can be applied the change that occurred at Airbus.

#### 4) Lewins - Freezing and Refreezing

Lewins “proposed that organisational changes have three steps. The first step involves unfreezing the current state of affairs. This means defining the current state, surfacing the driving and resisting forces and picturing a desired end state.” (Cameron, E. and Green, M. (2012) p121) In the instance of Airbus this will be relevant to the decision to change the organisations focus on short haul aircraft to a larger long haul aircraft.

“The second is about moving to a new state through participation and involvement.” (Cameron, E. and Green, M. (2012) p122) For Airbus this will be seen as the period of time that it took from conceptual thinking, seeking finance, realising the political will required, to delivering the first aircraft.

The third focuses on refreezing and stabilizing the new state of affairs by setting policy, rewarding success and establishing new standards.” (Cameron, E. and Green, M. (2012) p122) This will be the period of time since manufacturing of the first aircraft to establishing the first sale and building a reputation and the lifetime of the product.

There is a problem with this analogy as in the first instance it is too simplistic for the product and the size of the organisation and the period of time elapsed. Various model examples are available to clarify his thinking, outlining the degree of change over a period of time. The examples are

Continuous change, Incremental and Punctuated equilibrium, however the models, that can be utilised to convey Lewins thinking and indeed Lewins Unfreezing and refreezing model, all “experience short bursts of fundamental change.”

(Kbmanage.com, 2019)

Lewins model cannot adequately take account of all the factors, especially the length of time required to launch a product of this nature. Lewins could be applied to many

of the decision that needed to be taken once the decision was made but not to the overall project itself. Cameron and Green (2012) even observed in their book Making sense of change management, that *“this model is sometimes used by managers as a planning tool rather than as an organizational development process.”*

In contrast to Lewins a model that can add additional value and another perspective on change is Kotters eight steps.

## 5) Kotter, eight-steps

The eight steps model explains a process that leaders can utilise to lead change in their organisation. It can be considered a broad model that conveys multiple topics that include planning, senior leadership, communication, team building, reward systems, negotiation, influence and organisational behaviour. Whilst each step has a valid contribution, the following section will highlight those that have applicable weight to the Airbus' change.

**Step 1** Establishing a sense of urgency. - In the case of Airbus the CEO will have communicated at the highest level with critical stakeholders, The EU, Governments of Spain, Germany, France and the UK, Banks etc on why the change must occur and occur now. The changing and emerging market for aircraft at that time was believed to be for long haul aircraft and Airbus senior officials took action to enter this market.

**Step 2** Creating a powerful guiding coalition. - For this stage to have happened in the Airbus A380's story, a series of actions must have happened to identify capable, influential critical allies and committed partners and they must have gained the willingness of this guiding coalition to actuate the necessary change. The exact partners are difficult to identify but they would have been made up of the critical

stakeholder outlined above. It can be argued that the fact that the decision was taken means that those key influencers must have been in place.

**Step 3** Developing a vision and strategy. – Airbus strategies and operations at that time were guided by the following four principles.

- *First, it anticipates and satisfies the market by carefully listening to airlines, passengers, and pilots, and by giving the customers what they want or like.*
- *Second, it innovates continuously by boldly adopting new ideas, new materials, new procedures, and new technologies.*
- *Third, Airbus seeks to maximize airline operators' revenues by providing more passenger comfort ergonomics, quietness, smoothness, and the "no middle seat" concept.*
- *Fourth, it develops families of aircraft that have either the same or similar cockpits and flight handling systems, resulting in lower training costs, higher crew productivity, more flexibility for pilots, and smaller operating expenditures for airlines (Airbus Industrie, 2001a).*

Source - (Tong and Tong, 2003)

In terms of the first point of “satisfies the market and listening to airlines” & “giving the customers what they want” it could be argued that Airbus were doing the exact opposite of this by providing what they had made and offering it at marked down prices (see step 6 below). They had clearly not been listening at all. (Forbes.com, 2019)

**Step 4** Communicating the change vision.

**Step 5** Empowering others with broad-based action.

**Step 6** Plan for and generate short-term wins. - The time from a customer's order to delivery of the A380 is over a number of years. To generate early customers Airbus offered 3 selling tactics which were unusual for the time. They were;

|                                                                     |                                                                                                                                                           |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| To win early customers for its A380 superjumbo, Airbus is offering: |                                                                                                                                                           |
| DEEP DISCOUNTS –                                                    | Cargo model is selling for \$133 million, passenger model for just over \$140 million.                                                                    |
| LOW DOWNPAYMENTS –                                                  | They go as low as \$500,000 per plane.                                                                                                                    |
| WALK-AWAY OPTIONS –                                                 | Buyers can cancel up to a year before delivery. Only cost: loss of a small deposit. Normally, aircraft manufacturers charge steep cancellation penalties. |

Source - (Matlack et al., 2001)

The deep discounts price tag is significant as the aircraft's original list price was in the region of £190 million (\$250 million) a piece. (Elliott, 2019)

As a result of these offers, the short term wins generated were that Airbus logged more than 60 orders for its A380 and expects to have about 100 orders by the end of 2001 (Airbus wins new order, 2001)

**Step 7** Consolidate gains and producing more change.

**Step 8** institutionalise new approaches in the culture.

(Kotter 1995)

The main criticism of the eight steps is that it does not close the loop and start the process all over again. It has also come into criticism for the use of very powerful words such as Urgency, Power and Vision early on in the process and influential leaders can use these to their advantage to push a concept through. However later on (Steps 6,7 and 8) it discusses objectives such as Plan, Consolidate and

Institutionalise which offer a more routine plan of action that can be managed by employees lower down in the organisation.

Due to the period of time that this project took it could be suggested that key decision makers needed to change as Pettigrew and Whipp outline when they commented

“Leading change requires a flow of actions, which are appropriate to their context. Put simply, different eras produce the need for different types of leadership. Such requirements do not necessarily imply a single leader. The need may be for more than one leader over time if performance is to be maintained. Equally important may be the creation of a collective leadership at a senior level, which may then be supported by the development of a sense of complementary leadership at lower levels. Leading change involves action by people at every level of the business.” (Pettigrew and Whipp, 1991 as cited in Randell 2004)

## 6) Leadership and change

From the period of time when the Airbus A380 came into being the type, style, characteristics and qualities of such leaders can be seen to have changed from then until now. The following section highlights the leadership style of the 20<sup>th</sup> century and aligns the leadership with the change in leadership values of the 21<sup>st</sup> century.

The following diagram is adapted from Kotter (1996) and highlights the likely traits of leadership in the 20<sup>th</sup> and 21<sup>st</sup> century



Source - (Cameron and Green 2012 p167)

Jean Pierson ran Airbus from 1985 to 1998 he has been described in various articles as

“Colourful” - (Rigby, 2007)

Ebullient - (Hepher, 2011)

As a “a thorn in the side” – for Boeing - (Holmes, 1998)

“a very charismatic and strong leader” - (Holmes, 1998)

He has also be attributed as “The man who has made life more miserable for Boeing than anyone alive today” (Holmes, 1998)

At his farewell speech, his message to the aerospace industry was “Airbus wants to supplant Boeing as the world's leading builder of passenger jets.” “We are not in this business to be a niche player,” Pierson said. “Personally, I have been motivated to fulfil what I say - that is to say, we want to be 50-50, which is in fact, a polite version to one day being No. 1.” (Holmes, 1998)

It is with comments such as these that it is plausible to establish that Jean Pierson was indeed “Directive, Visionary, Charismatic and participative at top levels” as outlined in the diagram above.

Pierson was virtually unknown when he took on the role of CEO in 1985 who found himself in a unique position when “His predecessor, Bernard Lathier, a flamboyant marketing genius, was sacked by the partners for virtually giving away Airbus planes. Roger Beteille, the company's legendary chief engineer and founder, decided to retire soon after Pierson arrived.” It is reported that “From that moment on, Airbus became Pierson's company.” (Holmes, 1998)

However, Pierson was also known for “losing his temper and arguing with allies and enemies with equal enthusiasm.” (Holmes, 1998) And this in many ways caused chaos between the 4 major players in the airbus consortium. At his testimonial speech, Robert Alizart (Piersons spokesman) said of the man "His strength has been being able to make four Airbus partners unhappy to the collective good of Airbus,". "He has started something that is unstoppable." (Holmes, 1998)

On the other hand, Pierson did raise the number of Airbus orders from 420 to 2,700 (all aircraft types), increased airline customers from 50 to 140 and increased deliveries from 300 to 1,700 aircraft.

However in terms of a 21<sup>st</sup> century leader Pierson appears to be a leader who was of his time and not “scanning and interpreting environmental changes”, for example pushing forward with a 4 engine long haul aircraft when market forces for short haul 2 engine aircraft and fuel efficiency were coming to the fore. Furthermore he could not according to Robert Alizart be seen to be a person who “Encouraged connectedness” as it appears he made the “four Airbus partners unhappy” and although he may have

given “meaning a purpose” it could be argued that that meaning and purpose was his own unique perspective about dominating the aircraft industry. This is somewhat backed up in an interview with Tom Williams (Airbus Chief operating officer) when he stated “The days when we did some projects for ego, valour or pride are gone,” and when asked, Was the A380 done for these reason?, his response was “I don’t know but it was probably on the cusp,” (Tovey, 2019)

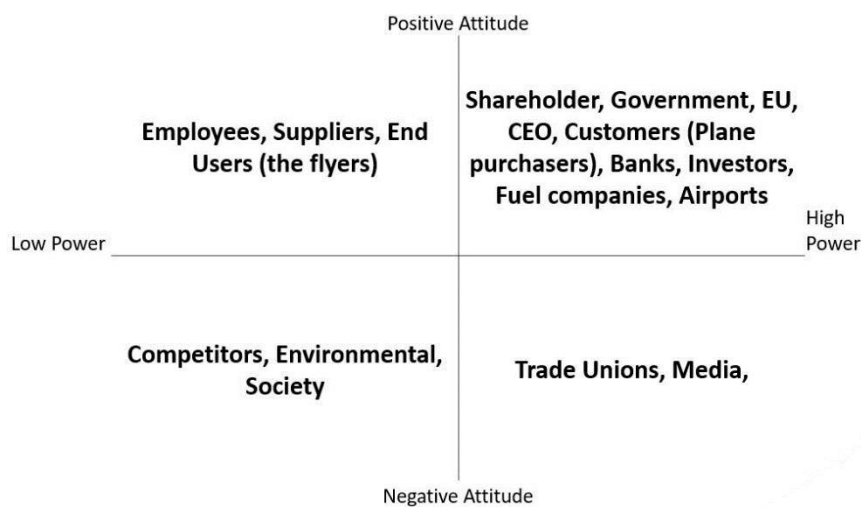
By October 2006 (a full 12 years before the end of the A380) Marion Heinen who took over the A380 program told investors that "We ended up with a vicious circle where there was apparently no way out," (Clark, 2006). It would appear that the ability to effect change had passed and that the manufacture of an effectively unwanted aircraft was inevitable.

## 7) Stakeholder analysis

It would appear that one charismatic leader was able to effect change over a vast, international and politically motivated organisation by single mindedness and a steadfast vision. In order to effect that change, outlined below are some of the stakeholders who, it could be argued, sat back and allowed the catastrophic organisational change to happen, or were too caught up in their own “national sensibilities to devise a coherent way to construct a very large and complex aircraft”. (Clark, 2006).

A brief example of national sensibilities is outlined with the change required in new software. German engineers preferred to work with an older design software made by a U.S. company, The program had been the gold standard of industrial design tools in the 1980s but was now outdated. According to Tom Williams Chief of Aircraft

Programs - "The German engineers sort of felt that there was a French solution being imposed on them. But the fact was there was a tool being used in Hamburg that was behind the times." (Clark, 2006). It has also been suggested that another possible reason for the preservation of the outdated system was that it was labour intensive and preserved jobs. What is clear is that many stakeholders could have effected change at any point in the process however none of them did and the A380 was built.



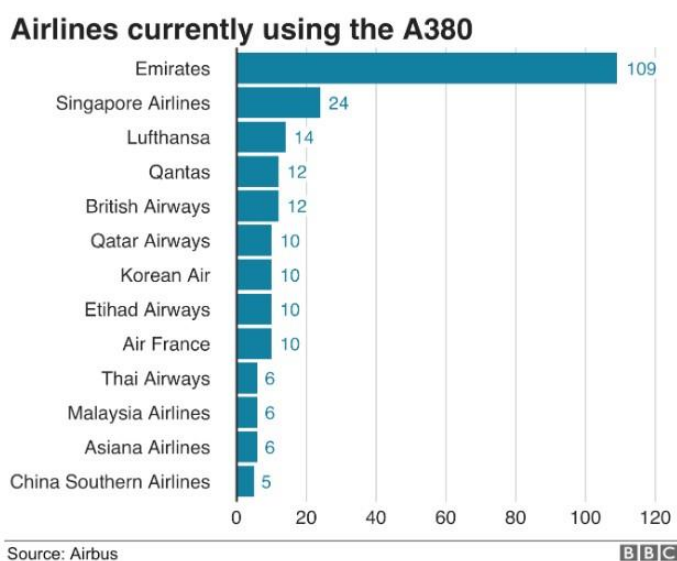
Source - Author

What could be added to the diagram above are the four nations that were constructing the aircraft (German, France, UK and Spain) each one would have a different position based on their percentage share of the project.

## 8) Conclusions

What is apparent, is that for Airbus the A380 has gone from a “high tech marvel to a commercial flop” (The Conversation, 2019)

Despite investments of more than 14 billion euros the European project to change direction from building 2 engine short haul aircraft into an organisation that built 4 engine long haul aircraft has not been as successful as it was originally hoped. With only 234 aircraft delivered (331 ordered) out of an estimated sales target of 1500 and orders from their main customer Emirates (See diagram below) drying up it became apparent that it was time for Airbus to halt production and stop the damage being caused to the company.



Source - (Thomas, 2019)

Whilst the A380s first flight was deemed a technical success, the length of time and delay in production meant that by the time it was ready the market was already changing. Whilst at the time of concept the market for long haul aircraft was growing, Airlines that initially favoured these aircraft began to offer more direct flights from middle sized airports that could not take the A380. In 2008 there was an economic crisis that reduced the number of long haul aircraft purchased as it was harder to fill.

“It is simply not profitable for an airline to have flights with less than 80% of the seats filled. Emirates, which owns half of all operating A380s, has the financial resources to take on this risk, but not other carriers.” (The Conversation, 2019)

Whilst it has been reported that the A380 was 10 to 20 years ahead of its time, Airbus now admits that the plane was in actual fact 10 years too late.

Today the very concept of the A380 is being questioned as a delusion of grandeur by Airbus itself or by its colourful CEO at the time who wanted to beat Boeing and its 747 at all costs.

In the article “Three reasons why Airbus A380 failed” (Aerospace Technology, 2019)) it concluded that the failure can be explained by “its high price tag”, “its inefficiency compared to smaller nimbler rivals” and the “airlines overly ambitious expansion plans” Add to this the endless delays in production and the Aircraft having 47% of its total sales with one client (Emirates), the end was considered inevitable.

It has been widely acknowledged throughout comment and referencing in this report that, the Airbus A380 should never have been built and this is something that even Boeing its main rival advised against at the time.

In terms of change, for an organisation as vast as Airbus the ability to be nimble and react to market change is effectively impossible as Marion Heinen stated when she told investors that “We ended up with a vicious circle where there was apparently no way out,” (Clark, 2006).

The change in Airbus, (despite the criticisms and recommendations of several aircraft manufacturing experts, airline executives, industry consultants, airport planners, travel marketing and planning executives and tourism promoters) was potentially brought

about by the ego of one man who saw the A380 as its future, but what it ultimately did was nearly bring about the demise of the first European consortium.

## 9) Recommendations

It is difficult to imagine how a project as large as the A380 could be stopped once the change in the organisation had started. However, with the benefit of hindsight, it can be seen that certain decisions were taken, most probably by its charismatic leader, that were difficult to challenge. In terms of Kottler this neatly aligns to the first three of the eight steps and the leaders decision. Once the organisation had got to the Plan, Consolidate and Institutionalise part of the plan, the decisions would have been managed by employees lower down in the organisation with the senior management removing themselves from this part. As Cameron and Green recommend, “they prefer to see a change process as a continuous cycle rather than a linear progression” and “emphasize the importance of management attention through all phases of the process”.



Source - (Cameron and Green 2012, p127)

By following a closed loop change management style, Airbus would have been able to review where they were and take remedial action.

Airbus should have additionally listened to what the industry experts and main rivals were saying in that the A380 was not what the market needed.

If Airbus had been able to align its language, cultures, political wrangling and layers of management earlier in the process the decision to take remedial action could have been taken far earlier. Airbus were already making what was the future of aviation (the 2 engine short haul aircraft), as a recommendation, what Airbus could have done was halt the production of the A380 earlier, reallocate the resources and skills of thousands of workers on other production lines and focus on what they were already doing successfully. It would however, have taken a character of Jean Piersons persuasion to take a decision like that, however 21<sup>st</sup> century leadership style in the aviation industry is often made up of “tedious bureaucrats” according to John Newhouse (Newhouse, 2008) so the decision to reverse the decision took far too long to make.

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