

A. DETAILED OUTLINE

1. Introduction

- **Provide background context about the company:**
 - + Year of establishment/ History of the company
 - + The primary service
 - + The position of the company in the market (Market share, data about the number of flights annually, etc.)

Example:

- Qantas is an Australian domestic airline that ranks seventeenth among the largest airlines worldwide 2023.([Ranking](#)) The company was initially established as Queensland and Northern Territory Aerial Services Limited in Winton, Queensland, on November 16th, 1920.
- In 2022, Qantas commands a 61% market share in the Australian domestic market ([source](#))
- **The disruption the company faced to their business model due to Covid-19**
 - + **The decrease in customers:** During 2019-2021, Qantas witnessed a sharp down trend from 55,813 to 15,866 ([source](#))

Example:

- **Flight delays:** In June 2022, Qantas experienced an 8.1% flight cancellation rate for the month, and slightly more than half of their flights, with a rate of 59%, arrived on schedule (Dang 2022)



Figure 1: [Flights delay of Qantas Airways since Nov 2022](#)

- **Lost baggage:** In 2022, the [rate of mishandled baggage almost doubled globally](#), with 26m pieces of luggage delayed, lost or damaged.

- **Aircraft safety issues:** The Australian airline has been hit by a spate of in-flight issues since the middle of last week, starting with a mayday alert and engine shutdown on a plane from Auckland to Sydney. At least four aircraft have since turned around because of problems with wing flaps, warning indicator lights or fumes in the cabin. ([Hindustan Times](#))
- **Staff shortage:** Qantas Airways terminated the employment of 1,700 ground staff at major Australian airports and opted for outsourcing in an effort to achieve annual savings of \$100 million due to the impact of the pandemic (Long et al., 2022).
- **The reason behind?**
- + **Cost-cutting:** Qantas's decrease in labour expenditure in the recent year underscores the existing staffing challenges it faces. In contrast to its competitors, who are increasing spending, Qantas is opting to reduce costs as part of its recovery strategy. ([source](#))
- + **The overload with the substantial rise of tourists:** Despite Qantas unveiling contingency plans, the strike is anticipated to result in international delays, exacerbating the ongoing decline in the airline's reputation. Qantas refutes allegations of its engineers being overworked, asserting that the company's demand for engineers has diminished over the past three years due to COVID-19 restrictions.

2. Company's Response

- Outline the company's actions and decisions in response to the disruption

a. Human resource

- + **Unlawful Sackings: 2000 Laid-off employees:**

Why did this situation happen?

- The decrease in the number of customers → revenue pressure
- Rising price of fuel due to Russia-Ukraine War

→ Sacking as a cost-cutting measure to save the company from the risk of bankruptcy after Covid-19 pandemic. During the lockdown, Qantas made the decision to lay off approximately 2,000 ground workers and opted to utilise labour provided by intermediaries like Swissport to address staffing needs at a reduced cost.

→ The blue-collar workers who were let go by Qantas were terminated in a manner that is alleged to be unlawful, and Qantas has declined to reinstate them. This situation arose due to a lack of agreement or understanding between the company and the workers' union (Galvin 2022)

Consequences:

- Increase of labour in the informal sector
- Failure to provide a healthy work condition and decrease in productivity (higher stress among both staff and engineers)
- Damaged brand reputation

The Transport Workers' Union, along with Qantas's current ground staff, engineers, and pilots, featured in an episode of ABC's Four Corners. They argued that the unlawful termination and subsequent outsourcing of ground staff have led to flight cancellations, delays, lost baggage, and recent safety concerns. The remaining staff, being both undertrained and overworked, are purportedly contributing to these issues.

In mid-August, Qantas engineers initiated industrial action by delaying the start of each shift by one minute, seeking a 12.0% pay raise due to stagnant wages over the past four years. Following this, Dnata announced a planned strike of 350 workers on September 13 to negotiate pay increases and minimum guaranteed work hours. However, this action was later cancelled after their ground handlers secured a 12.6% pay rise. ([source](#))

- **Customer Service: Missed baggage, flight delays, cancellations rate of 7.6%, failure to expect the influx of customers**

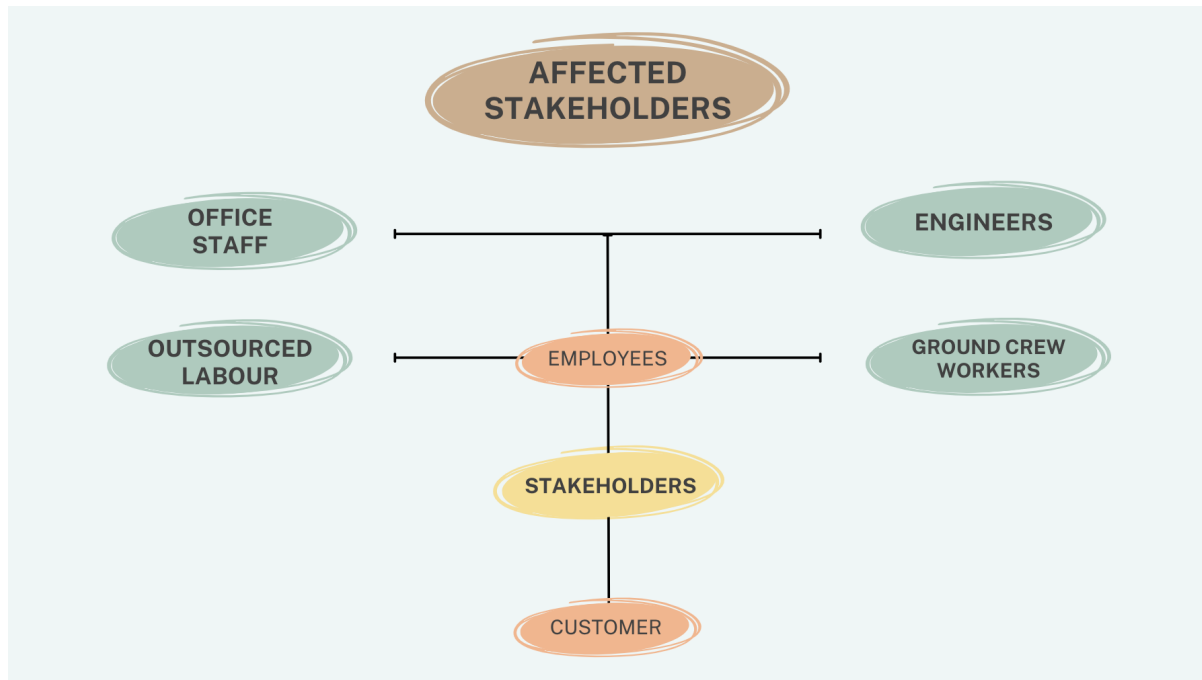
Why did this situation happen?

- + High level of sickness & overload among staff: “with COVID-19 and the winter flu season driving increases in sick leave of around 50 per cent” ([source](#))
- + Increasing fuel cost: Increased fuel prices due to the Russia-Ukraine conflict, leading to a 10.0% increase in domestic travel prices, and a 20.0% increase in international travel prices.

Consequences:

- + High attrition rate
- + Damaged reputation
- + Decrease in customer trust and loyalty

3. Affected Stakeholders



4. Recommendations

a. Human Resource Management: Application of Teleological Method

- Give a brief about what Qantas has done

Example:

- Normative stakeholder theory argues that managers have ethical responsibilities not only to shareholders but also to other stakeholders (Hendry, 2001). However, Qantas appears to prioritise shareholders, potential investors, and regulators while overlooking the interests of ground staff, engineers, and customers, who are excluded from decision-making (Taylor, 2022).
- Suggest another solution based on the theory in decision making: **Theory** → **How Qantas should apply this theory in their decision-making process** → **Specific recommendation** → **Why to choose that solution**

Example:

- **Apply the Teleological Method** in its decision-making and consider the consequences on all stakeholders. Besides the shareholders, potential investors and regulators, Qantas should take into account the well-being of its employees (ground crew and engineers), the satisfaction of its customers, and the welfare of the communities it serves)
- Give a choice to all employees: Whether they want to stay at the company and receive 70% of their salary with compensation (medical insurance, food, etc), or leave the firm.

→ By giving the opportunity for employers by creating choices, work environment will be more productive & supportive for employees, since they have the chance to consider and make their own decision → Reduce the risk of human resource shortage and strike

b. Customer Service

- You should follow this flow: **What is the problem with customer service** → **Solution**
- **Decrease in brand trust & loyalty** → Publicly apologise for the wrongdoings & offer discounts, vouchers for those who had to suffer from inconvenience from Qantas
- **Delays** → **Transparent Communication:** Make sure that any modifications to flights, timetables, or policies are communicated to consumers in an understandable and open manner. Additionally, give prompt updates on the changing circumstances, including any safety precautions and travel limitations.
- **Prolonged waitings** → **Robust Customer support:** Hire part-time employees to stay at the airport to support customers in need

5. Lesson learned

- Summarise key lessons learned for companies facing disruptions
- Reflect on the importance of focusing on human elements in decisions

Example:

Invest in people

- + Regard employees as an important stakeholder in the decision-making process
- + Provide a healthy and balanced work environment, care about employee's well-being, balance between job satisfaction and life satisfaction
- + Provide a two-way communication with employees, creating opportunities for them to contribute their ideas for the development of the company

→ **Mirror effect:** Employee satisfaction and effective communication can contribute to providing excellent customer service.

B. TIPS & TRICKS

Tip 1: Steps to analyse a given case study and write a report?

- Read the case study thoroughly and highlight key facts, figures, events, ... This will provide evidence to support your analysis.
- Research background information on the company/industry for additional context if permitted. Consult sources like annual reports, news articles, etc.
- Formulate a clear research question to guide your analysis

- Support claims and analysis with specific evidence from the case study. Quote or reference sources appropriately.
- Use clear, formal writing. Avoid unsupported opinions or overly technical jargon. Define terms where needed.
- Compose your introduction and conclusion once the body is finalised. Hook readers and summarise main points.

Tip 2: How to write a strong analysis?

- Closely read and understand the background materials (e.g. case study, company reports, news articles) to identify the core issues and key evidence relevant to the analysis.
- Organise the analysis clearly around specific topics or themes you will examine. Break these topics into logical sections.
- Open each topic section with a clear statement of what will be analysed. Use transition words like "First," "In addition," etc.
- Apply appropriate concepts, theories, models, and frameworks to lend credibility and depth to your analysis.
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- Support your examination and any claims with well-chosen, relevant evidence and examples from your research. Data is very compelling

C. FOOD FOR HUNGRY THOUGHTS

[Qantas Delay 2022](#)

[Flight cancellation getting worse than you thought](#)

[Qantas apologises to customers](#)

[Qantas Annual Report 2022](#)

[Qantas Airways Ranking 2023](#)

[Number of passenger carried](#)

[Industry Insider](#)

[Australian Aviation](#)