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Crisis of the Week: AirAsia's Plane Crash Response



Reuters

What is believed to be wreckage from crashed [AirAsia](#) flight QZ8501 in the Java Sea is pictured in this underwater photograph released by Indonesia's National Search And Rescue Agency (BASARNAS) on Jan. 7, 2015.

For our first crisis of 2015 we asked the experts to review the public comments made by AirAsia following the crash of one of its airplanes in late December. At first, Chief Executive [Tony Fernandes](#) was the company's [public face for the disaster](#), meeting with families of victims, and maintaining a visible presence on [his Twitter feed](#). The company and Mr. Fernandes then [clamped up](#) after an Indonesian government agency said the airline [didn't have permission](#) to fly the route on which its jet crashed.

Looking at what the airline has said, and looking at what Mr. Fernandes has said in the media and on Twitter, the experts were asked to evaluate the message, tone and delivery of the company's comments to date.

Richard Nicolazzo, managing partner, Nicolazzo & Associates: “Mr. Fernandes should be praised for his initial reaction to the crash. He’s a human being, and this was and continues to be a human tragedy. He has a history of open communications in the airline industry. As the news flashed around the world, he appeared genuinely grief-stricken on TV and his Twitter feeds were highly informative. In fact, based on our experience, we have never seen a CEO use social media so effectively in managing a crisis.

“However, despite his decision to take charge and engage social media to disseminate his key messages, the company violated one major principle of crisis management: don’t speak extensively in a crisis until you have all the facts. Now that we know Flight 8501 did not have all required permits from regulators to fly that day, Fernandes’ sincerity and credibility come into question. Fernandes must now confront a major issue: If the Indonesian Transportation Ministry knew AirAsia didn’t have permits to fly the route on Sundays, why didn’t Fernandes have that same information addressing the crisis?

“Since this development, Fernandes has dramatically cut back his public commentary. In my view, he has no choice but to withhold specific comments until more facts are known. Ironically, one of Fernandes’ most visible early tweets may come back to haunt him: ‘...All will come out at right time,’ he tweeted. But the facts recently surfacing from the transportation ministry are emerging at exactly the wrong time. The communications challenge now is can Fernandes re-establish his and the airline’s credibility related to safety issues.”

Anthony Johndrow, chief enterprise strategy officer, Reputation.com: “As of now, while information is still being gathered, AirAsia is doing a much better job than the Indonesian government of handling this crisis. As shown by this example from their CEO on Twitter: ‘As I have said we never hide. All will come out at right time. Focus is finding all guests and looking after families.’ They are stepping forward to take responsibility, demonstrating transparency and moving to make this meaningful quickly with regards to victim compensation.

“Let’s remember that this is Indonesia, with a rapidly growing commercial aviation sector and a long history of government corruption. When the government comes forward first with blame—’So AirAsia has committed a violation of the route that has been given to them’—they are clearly thinking about covering their you-know-what first. Locally, where this matters most to AirAsia’s future, and where the memory of the bungled Malaysian Air disaster is still fresh, this reads as government business-as-usual.

“Despite this, after an initial pause, it appears that Mr. Fernandes is still putting himself out there. If he continues down that path—and does not get caught lying while doing so—AirAsia will be seen and talked about favorably across the region for years to come.”

Andrea Bonime-Blanc, chief executive and founder of GEC Risk Advisory: "A company that is known to its stakeholders for its positive and transparent image—visibly promoted by its CEO, in this case—that is suddenly hit with a crisis faces a very specific dilemma: Is there a disconnect or is there synchronization between the company's public relations and the company's risk and compliance culture?"

"A company with the necessary risk and compliance programs and culture will be more successful at dealing with a crisis than one without. If, however, image and PR are mere marketing devices that do not reflect the reality within the company, crisis and reputation management will be less successful or even disastrous depending on the issue, with attendant loss of stakeholder confidence and ultimately value to the company.

"Based on the limited information we have to date on the AirAsia situation, it is possible that the necessary risk programs and culture may have been limited or not in place at all. For example, if allegations that the company did not have flight permission or that its pilots ignored severe weather statements are correct, this may reflect either specific internal dysfunction at best or a culture of loose or limited compliance, at worst. If the latter is the case, serious consequences to the long-term value of the airline will ensue."

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