

A Few Degrees Off Course: Ethical Life or Death for Airline Industry

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Executive Summary

The airline industry--in this case study United Airlines in particular--has gotten off course in regards to their ethics, most recently culminating in a customer getting knocked unconscious and dragged off a plane because he wouldn't give up his seat that he paid for to airline employees. A new unethical environment exists where it is airline company first, not airline customer first as it should be. This paper explores how the airline industry has evolved and suggestions of how to get the airline back on course before certain tragedy strikes.

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On November 28, 1979 a flight carrying 257 passengers set off to Antarctica the pilots unaware that the flight plan had been changed by two degrees. By the time warning alarms were sounded, it was too late. The results were devastating when the new route caused the plane to crash into the side of a volcano killing everyone on board (Chippendale, 1980). This seemingly small error... a matter of being only a few degrees off course... provides a real picture of the implications that even the smallest decisions can take you way off course and sometimes lead to tragic and unintended outcomes.

Situation Analysis

Fast forward almost 40 years after this tragedy and airlines in general are way off course facing a different type of crisis caused by a stream of seemingly unethical decision-making that probably happened just a couple of degrees at a time. The aftermath has companies like United Airlines facing a proverbial ethical plane crash which has them picking up the pieces of wreckage. It is time that the airline industry looks at some of their business practices, evaluate their ethics, and course correct.

In April 2017 on a fully boarded flight from Chicago to Louisville United Airlines wanted to seat four of their employees and asked for four volunteers. They first offered \$400 in flight vouchers then upped it to \$800. They had no takers. Instead of continuing to up the ante on the offer, United randomly selected four seated passengers to kick off the plane to accommodate their employees. One of these individuals was Dr. David Dao who refused to leave the plane

stating he needed to get home to see patients. Video shows he started out visually upset, but still calm. The video following is what created a huge PR nightmare. The video showed a bloodied, unconscious man being dragged down the narrow aisle while other passengers cried and yelled out at the horror of what they just witnessed, “look at what you did to him!” Reported injuries were a broken nose, broken teeth and a concussion (Martin, 2017).

The initial company response made matters worse and also made it clear that a crisis management team and plan was not in place. Due to the viral nature of the incident it made headlines nationally and abroad. Dr. Dao was violated again when the morally bankrupt media (a topic for another paper) attempted to assassinate his character by bringing up unrelated history that happened many years ago like he had it coming to him. The dagger was twisted even more when an internal memo to United Airline employees referred to him as “disruptive and belligerent” and gave kudos to employees for following procedures. United Airlines kept digging the hole deeper with their initial apology which was a disappointing, standard non-apology apology. CEO Oscar Munoz was also quoted as saying that they “were left with no choice but to call Chicago Aviation Security Officers to assist in removing the customer from the flight.” They had no other option than to use brute force? They couldn’t have taken care of this before everyone had already boarded the plane? They couldn’t have offered more money until they had volunteers? They couldn’t have had their employees take a different flight or rent a car so the paying customers lives weren’t interrupted, their past dirty laundry aired for all to see and denying human decency?

Finally after increasing backlash, a much better apology was issued a couple days after the event. A crisis management team was most likely called in, but unfortunately it was too little

too late bringing to light not only the unethical practices of United Airlines, but underlying problems that have been festering for years with airline passengers collectively.

Background

Back in the 1930s when the first commercial airlines started customer service was high. This was probably due to the fact they were so heavily regulated and it was kind of a forced ethics situation... if they didn't abide by high ethical standards, other airlines were brought in who would comply to the code. In the 1970s the industry was deregulated, competition increased, and prices came down. But the events of 9/11 changed the airline industry again in a manner that probably played into the climate as it now exists. More regulation came back into play, which increased the costs, and as a result cut into the profits. It took about 6 years for the airline industry to return to profitability after terrorists increased anxiety across the board (Harris, n.d.). Flying went from an amazing luxury afforded to the wealthy of yesteryear to a necessary evil where people are packed in as tight as possible, fed as little as possible, bumped as needed, delayed or canceled altogether, charged to bring a suitcase on your trip, and are nickel and dimed to death through fees.

Method

So how does United Airlines move forward? Listed on their website is their Code of Ethics statement and even a statement on Human Rights. It is unclear whether or not these were recent additions in light of the passenger dragging incident or if it has been a long standing policy of which they were not adhering to. An excerpt of that statement reads:

United supports and respects internationally proclaimed human rights and is not complicit in human rights abuses. United's core values and culture embody a

commitment to ethical business practices and good corporate citizenship. This Human Rights policy statement and Global Policy on Worker Welfare is consistent with our broader commitment to ethical business practices, which are embodied in the Code of Ethics and Business Conduct. The Code serves as the cornerstone of the company's ethics and compliance program. United has appropriate mechanisms in place to monitor compliance with the Code and facilitate reporting of possible violations (United Airlines).

If this is a long standing policy, their CEO and employees desperately need a review.

They could also take some notes from one of their competitor's playbook (Southwest) on how to handle a crisis humanely. Granted Southwest's power outage crisis was not a self inflicted wound in the same manner United's was, but it probably could have been avoided. It was their response to the problem that was exponentially better. The crisis was caused by a power outage which lasted for 12 hours. To get back on track, they cancelled nearly 2,000 flights. As one could imagine, this caused a surge of angry and frustrated customers. They clearly had a crisis management plan in place. Jay Baer lists 6 Lessons that can be learned from Southwest Airlines handling of their crisis:

- 1. Say You're Sorry and Mean It.** Lawyers are constantly trying to get companies to NOT apologize because they believe it will put them at risk for lawsuits, but by not apologizing it may end up putting them at greater risk. Straight out of the gates Southwest Airlines took ownership of crisis and apologized profusely. One example is: "It's never too early to say thank you or to extend an apology; neither is it to continually apologize when a situation hasn't been fully resolved. I'm sorry. We'll continue to work to make this right (Dietrich, 2017)."
- 2. Live Video is a Terrific Social Media Crisis Tool.** Southwest very quickly did a Live Facebook video of their COO updating the status of the situation, offering apologies, which gave a human touch to the crisis. It is much easier to hate a faceless person or corporation than a real person humbly asking for your forgiveness and telling you what they are going to do to make it right. This tactic went over very well and was watched over 800,000 times, liked 5,500 times, loved 1,100 times, and considering the magnitude of the problem, only received 650 angry emojis.

3. **Your Website Can No Longer Be Your Crisis Home Base.** In this day and age not many people are going to go to the company's own website for updates and information. They are definitely going to take to social media and shout their frustration from the rooftops. Facebook, Twitter, Instagram, etc. are a must and Southwest did not disappoint.
4. **Hug Your Haters.** In addition to the frequent updates, they also did their best responding to concerned posts. They apologized, sympathized and reassured their angry customers they were going to make it right.
5. **Be Fast.** They did their best to respond as fast as possible too. Southwest's average twitter response time was 12 minutes and Facebook was 45 minutes. This is lightning fast given the number of complaints they were receiving.
6. **Every Channel is a Customer Service Channel.** As good as Southwest did, they can even learn something from their own crisis management. They forgot about Instagram all together. They have an account and posted nothing to it and left 322 angry comments totally unanswered (Baer, 2016).

Too often well-meaning CEOs, thinking they know what's best for their company attempt to handle a crisis situation in the manner they would solve an internal problem with an employee: with an iron fist. They may or may not decide to get legal involved ahead of time to see where they could have potential risk and liability, and way too often they only involve public relations/communications team after initial efforts fail. They are the clean up crew. It has been said, it is a lawyer's job to protect a company in a court of law and a PR professional's job to protect a company in the court of public opinion (Dietrich, 2017). Abbie Fink stresses the importance of having a seat at the table well in advance of any problems:

Crisis communications professionals must be at the table when decisions are being made. We can provide an objective opinion and guide discussions around the possible outcomes of those decisions. Trust me; you want us there beforehand, because you are going to definitely need us after (Dietrich, 2017).

It makes sense to involve the clean up crew ahead of time to not only look at procedures and see if they are cruising for a public beating and try and to mitigate some of the risk, but also have a clear plan in place on how to handle crisis when (not if) it comes in an effort to allow quick and efficient cleanup.

Results

Ethics are a tricky topic. What is considered unethical to one is not unethical to another. What is unethical in an undeveloped country may be completely ethical in a developed country. But there is also a huge disparity in what is considered ethical and unethical in developed countries; all you have to do is bring up topics such as abortion or gay marriage and hotly contested debates will most definitely ensue and could go forever without resolution.

Luckily with business it does seem a little clearer. Treat people with respect and basic human decency. An airline should never get to the point of knocking a customer unconscious and literally dragging them off the plane unless they were of course making threats of violence. This seems like low hanging fruit. It starts from the top down. In the case of the passenger dragging incident is a total reflection of the company as a whole. Especially when the employees are being congratulated on their stellar performance of company procedures. In the book *Clipped Wings*, Deborah Ancell explains the importance of airlines hiring individuals who understand the importance of ethical behavior:

For the economically sustainable airline ethical behaviour is simply ensuring that all stakeholders recognise (*sic*) the difference between right and wrong. Sometimes this is determined by the law; sometimes it is determined by what is held in an individual's conscience...Ethical behaviour (*sic*) should not need plans, compliance systems or a whole department. It just needs hiring the right people with the appropriate core values to work with common sense, openness, transparency and symmetrical, impartial information and data in a culture which permits and enables challenge (Ancell, 2016) .

In a study done by Nikbin et al. (2016) it concludes one of the best way for airlines to not only avoid crises, but weather inevitable crises well, is to have an environment and plan in place for Corporate Social Responsibility (CSR) well ahead of crises. A company's attitude about CSR is closely tied to the company's view on ethics and in times of crisis what is most at risk is the company's ethical reputation. According to the study it boils down to trust:

Trust in a service provider is closely related to the perception of the service provider's integrity, confidentiality, ethics, and honesty... ethical standards are the basis for trust, building reputation, and delivery of quality services... Due to the fact that customers may become more sensitive to a company's ethics following an occurrence of service failure, a connection between perceived CSR and loyalty is probable after a service failure and recovery situation (Ancell, 2016).

Conclusion

The airline industry is facing an ethical life or death situation and they need a new flight plan, especially United Airlines after their string of bad publicity over the past several months. They need a good captain to keep them on course, not deviating even a few degrees from their flight plan. If they deviate they could end up miles off course crashed into a proverbial volcano of bad publicity and financial ruin. They can accomplish this by assembling an ethical PR team ahead of time to beef up CSR efforts, hiring and/or retraining ethically minded employees who has a customer first attitude, and finally make every effort to treat their customer in a manner they would want to be treated themselves.

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