The Need for Cultural Intelligence

An Analysis of Asiana Airlines' response to the Crash Landing of Flight 214

KUMHO ASIANA

Case Study Competition
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I. Abstract

On July 6, 2013, Asiana Airlines’ Flight 214 crashed while attempting to land at the San Francisco International Airport. This case addresses the crisis communication efforts Asiana undertook with key stakeholders in the U.S. in the wake of the crash. It assesses the social and traditional media communication activities of Asiana in the U.S. and how cross-cultural norms affected perceptions of this communication. The crash demonstrates the need for corporate communication professionals at multi-national companies to have cross-cultural competence and training. More precisely, the case considers the theory of cultural intelligence, which is defined as the ability to recognize and comprehend different beliefs, practices, attitudes, and behaviors of a group and then apply that certain cultural knowledge to attain your goals - whether those goals are political, business or otherwise. The case is ultimately valuable to all global companies building their cross-cultural acumen.
II. Case Study

A. Overview

On July 6, 2013, 291 passengers boarded a Boeing 777 on Asiana Airlines’ Flight 214 without a worry in sight. Passengers were flying from Incheon, South Korea to San Francisco, California. What was thought to be a regular sunny day turned into everyone’s nightmare. At 11:27 a.m., the flight crashed while attempting to land at the San Francisco International Airport. Out of 291 passengers, there were three fatalities and over 180 injured.

Passengers and witnesses alike were shaken. According to passenger Lee Jang Hyung, who was flying with his wife, baby, and parents-in-law, said, "Suddenly, the plane's tail part hit the ground and the aircraft bounced upwards and then bam, it hit the ground again. This time it felt like the entire plane hit parallel, but tilted to the left. That pressure was huge. Very strong. I saw luggage fall from the top. And the plane gradually stopped. Until then, there was no warning," Hyung said. Hyung called it a close call and is grateful that his family survived.

Timeline of Events as Flight 214 Makes Final Approach

- 11:27 a.m.
  - 8 seconds before impact - Call in cockpit for increased speed (Flight 214 travelling at 112 knots at 125 feet above the ground)
  - 3 seconds before impact - Engines at 50% power and engine power increasing (Flight 214 travelling at 103 knots)
  - 1.5 seconds before impact - No distress calls are made asking air traffic control to abort the landing. From cockpit recordings, the pilot is heard saying “go around.”

- 11:30 a.m. - Emergency exit slides are deployed.
- 11:35 a.m.
  - Rescue crews race to the aircraft.
○ It is noticed that at two of the exits, emergency exit slides incorrectly inflated inside the aircraft slides inflated inside the aircraft, which pinned some of the flight attendants to the wall inside.

● 1:00 p.m.
  ○ Injured passengers and crew are taken to the hospital, while the critically injured are taken sooner.
  ○ "The most critically injured people came right away. Some of them had burns, they had fractures, they had internal injuries, internal bleeding, also head injuries ...we also saw spinal injuries," said San Francisco General Hospital and Trauma Center spokeswoman Rachael Kagan.

● 4.18 p.m.
  ○ The first two fatalities are confirmed: Wang Linjia and Ye Mengyuan (both 16-year-old students from China). Mother is seen crying over two daughters.

● 7:47 p.m.
  ○ All passengers and crew are accounted for and NTSB (National Transportation Safety Board) launches full safety investigation.

The Cause

Immediately following the crash landing, individuals, news outlets, and key stakeholders like the NTSB scrambled to find the cause of the crash. There was much speculation around the actual cause. Initially, mechanical error was rumored to be the cause. The Huffington Post reported that the key device control called the automatic throttle might have malfunctioned, which might not have sent enough power to the engine to abort the landing. Since then, the NTSB has ruled out mechanical error. However, most of the speculation placed blame on the pilots. Fatigue was ruled out immediately, which left many news outlets and individuals on social media turning to the pilots’ experience. According to the Wall Street Journal, many have argued that the pilots lacked manual flying skills. Pilot Lee Kang Kuk had only 43 hours of flight experience with a Boeing 777, which is the equivalent of nine flights. When the plane crashed, Lee Kang Kuk was flying under the supervision of Pilot Lee Jeong-min, who is considered a veteran pilot. There is speculation that the pilots ignored warning signals in the cockpit. Airline officials have refuted the allegation that the pilots were not experienced enough, stating that the pilots have had thousands of hours of prior training. There have also been differences between the pilots’ recollection of
the crash and the cockpit recordings. Whatever the reason of the crash, what is known is that there was not enough power available to abort the landing.\textsuperscript{vi} What really happened then, you ask?

While the official NTSB investigation can take six to nine months to determine the result of the crash, there are a few things known. In the final moments of the regular 11-hour flight, Flight 214 experienced what is called a “hard landing” that turned out to be short of the actual landing strip. The aircraft was traveling below landing speed and was too low as it approached the threshold. The plane was roughly 80 feet away from the runway when it crashed. A piece of the tail clipped the seawall at the end of the runway, which caused the Boeing 777 to hit the tarmac hard.\textsuperscript{vi} Within 90 seconds, a blaze ignited close to the bay waters and debris scattered immediately (See Appendix A). According to NTSB Chairman Deborah Hersman, the most seriously injured passengers were sitting in the rear of the aircraft. Two of the fatalities occurred from the actual flight. The third fatality, according to San Francisco Police Officer Albie Esparza, was completely covered in flame-retardant foam when a fire truck ran over the student as it was trying to fight the fire. An autopsy-report done by San Mateo County Coroner Robert Foucrault confirmed death by injuries consistent with the fire truck.\textsuperscript{vii} At the end of the day, much is still left to be determined, as the NTSB is still reviewing cockpit recordings, the aircraft mechanics, and testimonials from survivors.

On December 11, 2013, the NTSB announced that the hearing has adjourned however the investigation remains ongoing. According to the information the NTSB released that same day, the veteran pilot, Lee Kang Kuk had momentarily adjusted the power without realizing the plane’s computers then assumed he wanted the engine to remain at idle. According to NTSB documents, in some combinations of auto-throttle and autopilot settings, such as during Flight 214’s approach to SFO, the system becomes dormant.\textsuperscript{ix}

The two pilots, Lee Kang Kuk and Lee Jeong-min, still work for the airline however they have not flown since the accident. On January 1, 2014, Kim Soo Cheon took over as CEO. A spokesperson for the airline said that the “personnel change has nothing to do with the accident.”\textsuperscript{x} To strengthen pilot training the airline has hired Akiyoshi Yamamura, a veteran Japanese pilot and safety expert, as Chief Safety and Security Manager. This is Asiana’s first foreign hire in its 25-year history.\textsuperscript{x}

\textbf{B. A History of Asiana Airlines}

\textbf{Asiana Airlines Company Background}

Asiana Airlines, Inc. is one of South Korea’s two major airlines, along with Korean Air. Asiana Airlines, the smaller of the two airlines, was founded on February 17, 1988 and is headquartered in Seoul, South Korea. The company has a fleet of 80 aircrafts as of April 2013. Asiana serves 12 cities on 14 routes domestically, 24 countries and 73 cities on 93 routes internationally. The company provides service
routes for international cargo to 14 countries and 29 cities on 27 routes. As of August 2013, the airline staffs 10,381 employees and maintains an average of 15 million passengers annually. The airlines domestic hub is located at Gimpo International Airport and its international hub at Incheon International Airport, which is 43 miles from central Seoul. Asiana Airlines is also one of the 13 primary sponsors of the South Korean national football team.

Korean Air, which was privatized in 1969, monopolized the South Korean airline industry until Asiana was founded in 1988. Asiana Airlines, originally known as Seoul Air International, was not formed to promote liberalized market conditions but rather because of the pressure from potential shareholders along with chaebols, family controlled industrial conglomerates in South Korea, that wanted to compete. Asiana Airline’s parent company is Kumho Asiana Group. According to an article in the Journal of Air Transport Management, the Park family closely holds the “Kumho Chaebol.” Kumho Asiana Group was founded by Park In-cheon in 1946 and currently, the Chairman of the group is Park Sam-Koo.

Asiana Airlines Corporate Philosophy

Asiana Airlines’ corporate philosophy appears on the company website as follows:

“The highest value of Asiana Airlines is to achieve customer satisfaction with the maximum safety and service. As an international airline, we will provide the greatest flight service for each one of our customers in the safest way. Asiana Airlines’ goal of a beautiful future through thorough customer satisfaction management will continue.”

According to Star Alliance, a global grouping of carriers, Asiana Airlines adopted the term “uncompromising safety” as its mission statement with the aim of guiding every thought and action of its employees. To maintain this promise, Star Alliance goes on to explain that Asiana upholds the most modern fleet worldwide and that the airline was the first in the world to be granted ISO 9002 certification on aircraft maintenance, which means that that airline meets a certain criteria for quality assurance in production, installation, and servicing.

In February, just four months before the fatal crash at SFO, Asiana Airlines celebrated its 25th anniversary and its 10th anniversary of joining the Star Alliance, the largest airline code-share alliance in the world, which allows passengers to accumulate airline miles. Last year, Business Traveler magazine called Asiana Airlines the "Best Overall Airline in the World." Consulting service Skytrax, based in the United Kingdom, awarded Asiana "Airline of the Year" in 2010.
For the third quarter, Asiana reported its first profit in 2013. The July-September quarter earnings of $82.8 billion won ($77.8 million) were up 3.3% over the year earlier. But, the third-quarter operating income plunged 42% to $63.4 billion won while sales dropped 3% to $1.52 trillion won. Asiana Airlines makes more than half of its revenue from overseas flights. However, this year the company’s passenger business was hit by lower demand for flights from Japan to South Korea because of the weaker yen and bombast from North Korea threatening nuclear war. Asiana Airlines remained in the red for the first nine months of this year, with a net loss totaling $45.6 billion won. This is unrelated to the plunge following the Flight 214 crash.

Past Crises

The company has experienced two other major fatal crashes in its 25-year history. Asiana Airlines’ first major incident was in 1993 when Flight 733 - a Boeing 737-500 - crashed in poor weather while approaching Mokpo airport in South Korea, killing 68 out of 116 occupants, including two crew members. In July 2011, a cargo plane - a Boeing 747-400F - slammed into the East China Sea, killing the only two people on board. The plane crashed due to a reported in-flight fire en route from Seoul's Incheon International Airport to Shanghai Pudong International Airport in China.

Korean Air also experienced numerous accidents during this period of time. In 1997, a Korean Air flight crashed while approaching Guam Island during a rainstorm killing 228 people. In April 1999, a Korean Air flight crashed after takeoff from Shanghai killing 8 people, and another crash in December 1999 after takeoff from London killing four. Korean Air experienced a third crash in 1999, which was not fatal, when the jet skidded off the runway while landing in Pohang, South Korea.

After these crashes and fatal accidents in South Korean commercial aviation, the Federal Aviation Administration downgraded South Korea's safety system's ratings in 2001, saying the country's aviation authority did not comply with the International Civil Aviation Organization's standards. After changes were made, the restrictions were lifted in December of that year.
C. Crisis Communication Strategy

With much information still to be determined, it is important to address the crisis communication efforts with Asiana Airlines’ key stakeholders in the United States: the media/general public, victims/families, and employees.

Within a minute of the crash, Krista Seiden, who was boarding another plane, posted a photo on Twitter of the incident. Less than 20 minutes later, a stream of journalists started using the live feed on Twitter to get immediate updates on what happened. Journalists from places like Bloomberg News and NPR made multiple attempts via Twitter to ask for an interview with Krista. Within a day of the incident, Krista’s photo and tweets were quoted in thousands of articles. Krista was not the only person posting photos via social media.\textsuperscript{xxviii} Some of the passengers used social media to get word out that they were alive and to report on the crash. A passenger named David Eun posted the first photo via Twitter less than a few hours after the incident. David stated, “I just crash landed at SFO. Tail ripped off. Most everyone seems fine. I'm ok. Surreal…”\textsuperscript{xxix} People flocked to social media outlets to find information about Flight 214. According to Wall Street Journal, David Eun’s tweets prompted a flood of well-wishes and questions.\textsuperscript{xxx} Hashtags such as #SFOcrash were utilized. People went to social media to find news updates and some also acted as news reporters themselves. Everyone was searching for information. What was lacking was information from credible organizations such as Asiana Airlines, NTSB, or Boeing.

Communication to Media/General Public

Response finally came a little after 1 p.m. PT. Boeing and the NTSB were the first entities to respond via Twitter. The entities recognized the situation and informed viewers that they were gathering information. By
approximately 3:50 p.m., the NTSB held a press conference while also doing continuous update with photos to Twitter. In less than an hour after this, the White House released a statement stating, “[Obama's] thoughts and prayers go out to the families who lost a loved one and all those affected by the crash.” At this time, everyone was still turning to Asiana Airlines’ social media feeds for a live update.

Around this same time as the White House Statement, Asiana Airlines finally joins in on the action. Asiana Airlines released its first statement via Twitter giving its thoughts and prayers to the passengers and crew on the flight. Seven hours after the flight, Asiana releases a press statement via Twitter, Facebook, Google+, and the company website (See Appendix B). The press release states that Asiana Airlines is working to determine the cause of the incident and that the airline is cooperating with government agencies during the investigation. The release finishes with Asiana Airlines claiming that nothing else can be confirmed at that point in time. Since then, four additional press releases were posted for the general public and media to view. Asiana Airlines did not respond to any comments posted via social media and declined any media attention outside of Korea. On social media, since July 13th, Asiana Airlines has returned back to its regular communication strategy, which consists of many consistent customer service support and promotion on flights, contests, and new technology. The CEO of the airlines has since then stated his plans to improve the training for its pilots, but has not given specifics as to what those plans are due to the ongoing investigation at this point. Besides the changes made to personnel, communication is forthcoming on the airlines’ plan of attack moving forward.

**Communication to the Victims/Families**

Asiana Airlines’ crisis communication strategy in the following days replicated the slow response rate of day one. The airline created a toll-free emergency hotline for passengers and families to find out updates. However, the hotline was not put up on Asiana Airlines’ website until nine hours after the crash landing. According to the Wall Street Journal, “It took three days for Asiana Airlines to dispatch its chief executive and a team of staffers to Saturday's plane-crash site at San Francisco International Airport, where the executive was set to apologize, meet with federal officials and call for a thorough investigation.” Asiana Airlines has also rejected offers to form a communication team in the United States to help respond to questions from families or the media. When the airlines hotline was flooded with calls, Asiana Airlines had to set up additional lines to call. According to CBS News, the Associated
Press said that Asiana Airlines originally “posted an automated reservations number and, changed the number several times in the following days.” From July 6th through July 13th, five press releases had been posted on the company website. The releases provide Asiana Airlines’ condolences, emergency hotline information, and brief information as to how the airline is servicing the victims. The latest press release offers the airlines’ condolences for the first two fatalities of the crash. 

(See Appendix C). CEO, Yoon Young-Doo is noted saying:

“My deepest condolences go out to the grieving family and loved ones of this passenger and to all those who have been affected by this regretful situation. We will devote all attention and efforts to support the families of the victims and expedited recoveries for the other injured passengers.”

The Facebook and Twitter posts on Asiana Airlines’ page reiterates hotline contact information and directs viewers to the company website to view the press releases (See Appendix D). Visible information regarding Flight 214 concludes after July 13th.

Other communication and services were provided to the victims and families of the crash, but many news outlets or even the airlines did not promote this information. Necessary airfare and lodging was provided to passengers and families with the support of United Continental Holdings Inc., who opened its airport lounges and helped provide emergency assistance. The airline relied heavily on United in the aftermath. United even sent representatives to hospitals to act as liaisons to those injured. Temporary passports were also provided to passengers who lost it in the crash. In some cases, family members of the extremely injured were flown to the United States. The airlines worked to provide medical, lodging, meals, translation, and transportation services to families. Financially, the airlines provided a great deal of support.

**Communication to the Employees**

Information available about communication related to employees in the crash and on employees actions following the crash is very miniscule. Besides an initial tweet offering the airlines’ thoughts and prayers to the passengers and crew, the employees affected are not mentioned. There is also no mention of a settlement. However, there are a number of statements from the airlines defending the pilots’ experience when it is questioned. Other than diffusing rumors, not much praise or information is given on the employees’ actions taken following the crash. The press releases acknowledge the number of
crewmembers on board the aircraft at the time of the crash. At the July 9th press conference, Asiana Airlines communicated that employees were working around the clock to assist passengers and that more employees would be on-site soon to provide aid. The communication regarding employees comes off with a sense of urgency. It gives the impression that the airlines and its employees will “spare no efforts” to help the passengers. However, it does not provide information as to how the affected crewmembers responded during the crash or how support will be given to them.

D. Stakeholder Response in United States

The United States did not respond well to Asiana Airlines’ crisis communication strategy to the crash landing for a number of reasons. First, upon his arrival in the U.S., Asiana’s President and CEO, Yoon Young-doo, declined to speak to the South Korean and U.S. reporters who mobbed him at the airport, and no one spoke on his behalf, giving the impression he had something to hide. According to Glenn F. Bunting, who runs G.F. Bunting, a San Francisco-based strategic communications company that specializes in crisis management, argues that there is a need for the media spokesperson, in this case the CEO, to assure the public that everything is going to be okay and that the airlines is safe.xxxvi Jonathan Bernstein, a U.S.-based consultant and crisis manager, compared Asiana’s response to that of JetBlue Airways Corp., which came under fire in 2007 for keeping passengers on the tarmac during rough weather. Jetblue’s then-CEO, David Neeleman, "got out there," Mr. Bernstein said. "He put a face, a real human compassionate face on the crisis, and I think Asiana needs to find someone who can speak for them like that.”xxxviii In this case, Asiana failed to address the needs and concerns of its stakeholders in the United States. Some argued that Asiana Airlines took "an inordinate amount of time" to respond to the crisis.xxxv On the other hand, a number of organizations like the SFO, NTSB, Boeing, and other influential journalists were praised for the constant and immediate updates posted on their social media sites regarding Flight 214.

While Asiana Airlines’ communication with society did occur in less than 24 hours, its communication was scrutinized because Asiana Airlines’ response came after other organizations had already provided multiple updates. Mary Kirby, a social media savvy Facebook user, posted:

“The fact that Asiana Airlines has not yet made a statement on Twitter or Facebook about the 777 crash at the SFO is unacceptable.”xli

Within a day, Asiana Airlines’ “Facebook fan engagement increased by 50%, while Twitter followers grew by 4,000...”xlii However, as previously stated, Asiana Airlines did not utilize this reach a great deal to get information out about the crash landing. Asiana Airlines did not respond to comments or concerns on
any social media account. Asiana Airlines was also scrutinized for the delay in dispatching the CEO to speak to the media and visit the location of the incident. In a country where companies have crisis communication plans already prepared, many felt that Asiana Airlines’ response was extremely slow. As said in the Wall Street Journal, Asiana Airlines’ approach “is foreign to many U.S.-based crisis managers, who help clients develop elaborate plans and targeted messaging far in advance of potential problems.”

What concerned Americans characterized as a lack of immediate action on Asiana Airlines’ part, only further developed into frustration. Asiana Airlines communication even after its initial response was looked at negatively for the lack of posts. For example, Asiana Airlines only posted ten times on Facebook, and most of it leads people to the website to view press conference information or the emergency hotline number. With this, the airlines declined to speak to any media journalists outside of Korea immediately following the crash. There was instant media backlash from many influential journalists and a large amount of bloggers in the United States.

The victims/families were also not thrilled with the airline. Families were completely dependent on the airlines following the incident and complaints started to arise. Haijun Xu, a passenger on Flight 214, was told by Asiana to not speak with the media. His daughter cried, “We did not get any help except the $400 emergency fee” that would cover the basics such as food. While the family was provided lodging, the family was forced to sleep three people to a bed due to the amount of lodging space provided to them. Many families like the Xus have decided to sue Asiana Airlines. The Aviation Disaster Family Assistance Act was passed in 1996. The law requires carriers—now, both foreign and domestic—to regularly file with the NTSB detailed plans for assisting families of those injured or killed in plane crashes. Federal agents are now investigating whether or not the airlines met its legal obligation to support the passengers and families of Flight 214.

**E. Cross Cultural Communication**

There is undoubtedly room for improvement when it comes to Asiana Airlines’ focus on providing reassurance to nervous flyers in the aftermath of a fatal plane crash. In the hours after the crash, Asiana was slow to respond to the overwhelming need for information at the rate at which the United States is accustomed. Why did the airline provide such a perplexing response, based on U.S. norms, to Flight 214’s crash?

Directly after the accident and while still in Korea, Asiana’s President and CEO Yoon Young-doo made several public apologies, along with statements about the experience of the plane's pilots. Yoon Young-doo held a news conference in Seoul with several board members present explaining what the company knew, offering condolences for the victims, and defending the airlines' pilots and planes. However, the Seoul-based airline issued few statements in the U.S. and declined to arrange for any media
representatives outside of Korea. The carrier said it has received offers from stateside communications companies eager to help manage the crisis and had an uninterested response.

"It's not the proper time to manage the company's image," said an Asiana representative in Korea, when asked about the company's response to outside assistance. xlvi

Jee-eun Song studies South Korean culture as a lecturer in Asian studies at UC Berkeley and told San Jose Mercury News that Asiana officials may have thought its initial apology to victims and families in South Korea would “cover them in San Francisco in the days following the crash.”xlvii

On July 12, the Fox affiliate in Oakland, KTVU, reported on an anonymous tip, which turned out to be an embarrassing gaffe. The KTVU anchor identified the pilots in its noon broadcast over the weekend as “Sum Ting Wong,” “Wi Tu Lo,” “Ho Lee Fuk,” and “Bang Ding Ow” – obvious racially insensitive names. They cited the NTSB as their source. It turns out an NTSB intern answered the phone when KTVU called and mistakenly confirmed the fake pilot names.xlviii Asiana threatened to sue the television station after the false report but dropped those plans a few days later. Several critics of Asiana Airlines’ crisis management found the company’s uproar towards KTVU out of place. The airline should have been concentrating on the passengers of Flight 214 and its other nervous travelers, but the airlines focus seemed to be on the Bay Area television station that fell victim to a humorless prank.xlix

Business Insider reported that the airline also attempted to silence the passengers of Flight 214.1 The Xu family, previously referred to, was among those passengers and featured in a story on CBS This Morning. In the interview that took place at the hotel room the family was provided, the Xu family told the CBS reporter that the airline told them not to speak with media. The CBS reporter had to tape this interview with his smartphone because airline security called the police when they spotted his camera crew in the hotel lobby. The journalist was eventually allowed upstairs but constrained to using his iPhone’s camera.li

Asiana Airlines’ crisis communication tactics in the aftermath of Flight 214 may seem strange and its priorities out of place. But, perhaps Asiana’s response is not as strange as it is just different from the U.S. norm. Simply saying, Korean corporate culture contrasts with several corporate practices in the Western world. Koreans responded well to the efforts Asiana took.
South Korean Corporate Culture

James Chung, chief partner at Strategy Salad, a crisis communications firm based in Seoul said that “Few big Korean companies take outside counseling if a crisis happens.” That contrasts with common practice in the U.S., where crisis managers help clients develop on plans and messages for dealing with problems far in advance. South Korea’s top managers hesitate to use outside counsel because they think it could interfere with management and decision-making processes. Chung told the Wall Street Journal, “They think ‘Why do we need outside help when we have strong internal public relations?’”.

South Korea's corporate culture, like the Korean economic boom of the last few decades, is much-studied. Part of it has to do with the way South Korea's economy grew: with a heavy guiding hand from the state. The government helped a number of once-small companies consolidate into massive conglomerates known as chaebols, which are often family-run and have since accumulated tremendous political and economic power. According to a 2005 article on chaebols in the Journal of Consumer Psychology, "Korean consumers have a strong attachment to chaebols with which they associate quality and, in turn, trust," with the chaebols serving as a kind of extension of Confucian ideals of the family.

Thus, Asiana is treated as a family business by its employees and South Korean consumers. That sense of family loyalty may be why South Koreans were eager to defend or sympathize with Asiana after the crash.

The “Kumho Chaebol”, also known as the Kumho Asiana Group, owns Asiana Airlines. In efforts of upholding quality and trust associated with chaebols, Yoon and the board’s first response to the public was a press conference where they offered a solemn apology to the victims and defending the pilots. Initially, Asiana Airlines may have resisted the public’s demand for information out of respect for the victims. To a U.S. audience, this may have seemed like a muted response.

III. Cultural Intelligence?

Asiana Airlines must alter its tactical view on cultural intelligence if they hope to survive in this global economy. Cultural intelligence is defined as one’s ability to function in places that are characterized by cultural diversity. Cultural intelligence is the ability to build relationships with different cultures and respond effectively to them, which Asiana Airlines failed to do with people in the United States. This case displays the importance of cross cultural sensitivity and the need for preparedness during a crisis in our global economy. Cross-cultural challenges have become increasingly more common and thus more important to look into for large corporations. This is due in large part to globalization and cross-national business. Stakeholder differentiation across countries in this crisis would have allowed the airlines to create an altered response to the United States and avoided such backlash.
In order to possess this idea of cultural intelligence, Asiana Airlines must first accept and adapt to new media. With more and more people using social media on desktops and on mobile devices, access to news has become instant. Social media has become so crucial to communication teams that employers have started recruiting job seekers highly experienced with social media. In 2012 alone, “over 43% of people aged 20-29 spent more than 10 hours a week on social media sites.” This has only increased in the past year. Social media has an influence on what people think and what they view. This case has offered an in-depth look into the rising importance of social media in the United States and the need for crisis communication teams. Asiana Airlines failed to realize the vital role social media played in Americans’ perception of the airlines response to the crash.

Asiana Airlines is now seeing the results of its crisis communication response. The stock price took a big hit. Within a day, Asiana Airlines’ stock price dropped by 5.8% and within a month, it dropped by 6.64%. The company reached an all-time low on April 12, 2013 and is still struggling to bring back the stock to what it used to be. The impact of the communication will not only affect the shareholder value. There is also now a lack of trust with the airline and an image concern in the United States. Asiana Airlines’ code, OZ, embodies the airlines mission statement: “uncompromising safety.” However, the airlines reputation has taken a hit as many have decided to switch carriers due to the airlines inability to live up to its mission. According to Bloomberg News, one frequent flyer of the airlines stated that she will switch to Korean Air due to safety concerns for her children. This is the second crash since 2011. Moving forward, Asiana Airlines is faced with the task of repairing and restoring the credibility the airlines once had as being one of the safest airlines to fly with.

Nonetheless, Asiana Airlines is not the only company to avoid adapting to different cultures. There is a great need for more research on cross-cultural corporate communication. Literature on cross-cultural communication is miniscule all-around. The crisis will serve as a teaching example for the future and shed light on the need for cultural intelligence.
IV. Appendices

Appendix A

How it happened

1. Boeing 777 from Seoul via Shanghai, approaching SFO runway 28L with tail low, struck seawall on edge of runway
2. Plane bounced, losing its tail, and skidded to a stop
3. Plane came to rest upright, and passengers exited down evacuation slides; top of plane was left charred by flames

Sources: Preliminary media and eyewitness reports
Appendix B- Released via Social Media

ASIANA AIRLINES
Shared publicly - Jul 6, 2013

Press Release for Incident Involving Asiana Flight OZ 214 (July 7, 2013 06:30 KOR. Time)

The following information has been confirmed.

Asiana Airlines flight OZ214 (Aircraft Registration HL7742) departed Incheon International Airport on July 6, 2013 at 16:35 (Korea time) bound for San Francisco. On July 6, 2013 at 11:28 (Local time) an accident occurred as OZ214 was making a landing on San Francisco International Airport’s runway 28.

There were a total of 291 passengers (19 business class, 272 travel class) and 16 cabin crew aboard. The majority of the passengers were comprised of 77 Korean citizens, 141 Chinese citizens, 61 US citizens, 1 Japanese citizen, etc. for a total of 291 people.

Asiana Airlines is currently investigating the specific cause of the incident as well as any injuries that may have been sustained to passengers as a result. Asiana Airlines will continue to cooperate fully with the investigation of all associated government agencies and to facilitate this cooperation has established an emergency response center at its headquarters.

At this point no additional information has been confirmed. New developments will be announced as more information becomes available.

- Asiana Airlines Emergency Response Center: Asiana Town Operational Command Center, Seoul
- Press Center: Asiana Town, Training Center Room #101, Seoul
  (Dongwon Kim : 82-11-498-5921 / Gyeongtack Park : 82-17-721-1235)

#SFO  #asianairlines  #OZ214  #sanfrancisco
Show less
Appendix C - Asiana Airlines’ Press Releases

Press Release

Press Release for Incident Involving Asiana Flight HL7742 - July 7, 2013 06:30 (Kor. Time) 2013-07-07 10:02

The following information has been confirmed.

Asiana Airlines flight HL7742 departed Incheon International Airport on July 6, 2013 at 16:35 (Korea time) bound for San Francisco. Only July 7, 2013 at 11:28 (Local time) an accident occurred as HL7742 was making a landing on San Francisco International Airport’s runway 28.

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At this point no additional information has been confirmed. New developments will be announced as more information becomes available.

Press Release

Official Asiana Statement from HL7742 Incident Press Conference 2013-07-07 16:31

We at Asiana Airlines would like express our utmost sympathy and regret for the distress experienced by the passengers of HL7742 and their families as a result of this accident. We apologize most deeply.

Asiana Airlines flight HL7742 departed Incheon International Airport on July 6, 2013 at 16:35 (Korea time) bound for San Francisco. On July 6, 2013 at 11:27 (Local time) an accident occurred as HL7742 landed on San Francisco International Airport’s runway 28.

A total of 291 passengers were aboard the aircraft. (77 Koreans, 141 Chinese, 64 Americans, 3 Indians, 3 Canadians, 1 French, 1 Japanese and 1 Vietnamese)

Asiana Airlines has established emergency response centers to ascertain the cause of this crash and to look after injured passengers and contact their families. Asiana continues to actively cooperate with all Korean and US governmental institutions in the ongoing investigation.
Press Release

Statement from July 8th Press Conference on HL7742 Incident

Asiana would like to provide a brief update regarding the status of HL7742.

The special charter flight dispatched by Asiana Airlines yesterday at 13:33 (Korea Time) carrying twelve support staff, eight government inspectors and members of the Korean media has arrived on location in San Francisco. Its passengers have begun supporting the victims and their families and assisting in the investigation.

Asiana Airlines is providing airfare and lodging for families of the passengers. In the event that the number of family members seeking support increases, Asiana is also preparing to operate additional charter flights.

Two Korean family members departed for the United States yesterday. Another four are expected to depart today followed by an additional four on Wednesday. Asiana Airlines is also supporting twelve Chinese family members and six Chinese government officials, who will depart from Shanghai for the United States (via Incheon) today.

48 injured persons are being treated at local hospitals in the San Francisco area. Each hospital is staffed with dedicated personnel and transportation to provide the utmost support for the victims and their families.

Asiana Airlines will continue to exert great effort in providing assistance and on the ongoing investigation.

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Press Release

Statement from July 9th Press Conference regarding the HL7742 Incident

Asiana Airlines would like to provide a brief update on the status of the HL7742 incident.

Asiana Airlines is putting forth great effort to assist the families of the passengers on flight HL7742. As of this afternoon, family members of 6 passengers have departed for San Francisco, and families of another 4 Korean passengers are scheduled to depart at 5:25 pm local time. Furthermore, 5 more families will be departing tomorrow and 2 more on the 13th.

With regard to the Chinese passengers, one of our employees is escorting 12 family members and 6 government officials from Shanghai. The group departed last night and is on their way to San Francisco via Incheon. We would like to take this moment to again express our deep regret and offer our most sincere condolences.

In San Francisco, Asiana employees in coordination with United Airlines employees are devoting all their energy in providing on-site assistance and aid. Asiana will be dispatching 13 more employees to ensure a more smooth operation.

Moreover, 5 Korean passengers who were on flight HL7742 is scheduled to return this evening at 5:28 pm. We will spare no efforts in providing assistance that the passengers may need. President & CEO, Young-Doo Yoon will also be traveling to San Francisco this afternoon to get a better understanding of the situation and to provide any additional assistance needed.

Asiana Airlines will continue to exert great effort in providing assistance and on the ongoing investigation.
Appendix D- Asiana Airlines’ Communication via Twitter and Facebook

For up-to-date press release and further information regarding Flight OZ214, please refer to the links below:

English: http://j.mp/12znzyX
Korean: http://j.mp/12Q22At
Chinese: http://j.mp/12RTWf6

For phone inquiries in the US, please contact the following hotline: 1–855–422–7214.

Thank you for your continued support, condolences, encouragement, and concerns during these trying times.
Asiana Airlines @AsianaAirlines 11 Jul
US toll-free number will be changed. US: 855-422-7214 (until July 12, 2013) → 866-528-6241 (Starting July 13, 2013)
Expand
Reply Retweet Favorite More

Asiana Airlines @AsianaAirlines 10 Jul
We have additional toll-free numbers for passengers and family: US: 866-528-8241 / KR: 080-233-4000 / CN: 400-650-8805
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Reply Retweet Favorite More

Asiana Airlines @AsianaAirlines 9 Jul
Expand
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Asiana Airlines @AsianaAirlines 8 Jul
New updates from Press Conference listed on our website: bit.ly/18Js0nl // Or read it on Google+ bit.ly/11wU6dE
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Asiana Airlines @AsianaAirlines 8 Jul
Statement from the July 8th Press Conference on OZ214 Accident: j.mp/12xnzyX
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V. References


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