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<th>Singapore Airlines and flight SQ006 : managing an airline crisis</th>
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Flight SQ006, operated by Singapore Airlines, crashed on 31 October 2000. The accident was the first with fatalities in the 28-year history of the airline, although all the passengers on board a plane of its wholly owned subsidiary (SilkAir) had died in a crash three years earlier. More accustomed to favourable reports associated with its successes, the airline now had to confront the challenges of managing a fatal accident and subsequent adverse publicity, which proved potentially damaging to its image and reputation. After dealing with the immediate consequences of the crash in the period up until 6 November, when final casualties were confirmed, there was an opportunity for the company in general, and the Public Affairs Department in particular, to pause and review the situation.
SINGAPORE AIRLINES

Singapore Airlines (SIA) was generally considered one of the most successful airlines in Asia and beyond in terms of financial performance and service delivery. After-tax profit in 1999/2000 was S$1,267 million, marking recovery from the effects of the Asian financial crisis with a year-end gain of 55.7 percent over 1998/1999. The fleet was one of the youngest and most modern in the world, with the average age of passenger aircraft being five years and two months, and noted for its advanced technology and good maintenance. It was a leader in product innovation, in-flight and ground service quality, and investment in human resources. In addition, it had become a tourist icon for Singapore, represented by the ‘Singapore Girl’—cabin crew dressed in the distinctive sarong kebaya outfits of batik cloth.

The airline’s success and reputation were reflected in the multiple accolades it received. For example, it won over 60 awards worldwide in 1999/2000 such as Asia’s ‘Best Managed Company of the Decade’ (Asiamoney), ‘Asia’s Most Admired Company’ for five successive years (Asian Business) and ‘Best Airline’ for the eleventh time in 12 years (Conde Naste Traveller). It topped six categories in the 1999 Official Airline Guide, among them ‘Best Asian Airline’ and ‘Best Europe–Far East–Australia Airline’. The company also prided itself on its excellent safety record since it began operations in 1972 and held the highest Category One rating under international aviation safety standards.

FLIGHT SQ006

Flight SQ006 from Singapore to Los Angeles, via Taipei in Taiwan, completed the first leg of its journey safely on Tuesday 31 October 2000. The Boeing 747-400 had started service in 1998, having had its last maintenance check on 18 September 2000. The flight from Taipei’s Chiang Kai-Shek Airport was cleared for take-off at 2315 hours on a night of strong winds and heavy rain caused by a typhoon moving across the South China Sea; this was originally thought to be the cause of the crash. Despite a capacity of 385 passengers, the flight was less than half full with 159 passengers served by 20 crew members.

As its wheels left the ground on take-off at 2317 hours, the plane appeared to hit something, and fell back onto the runway, breaking into three parts. Fire broke out in the cabin sections. Some on board were able to escape to safety, but 78 passengers and four crew members died, while others were hospitalised or received outpatient treatments. Another passenger died from severe burns about three weeks later. Most of the passengers on board were Taiwanese and Americans, with some Europeans, Indians, Australasians and South East Asians. Seventeen of the crew members and 12 passengers were Singaporeans.

Subsequent investigations revealed that the plane was attempting to take off from runway 05R instead of 05L, the two runways running parallel to each other, which meant that the pilot had turned off the taxiway too early. Runway 05R was actually under repair and the plane had collided with construction equipment. There were no barriers to prevent entry onto 05R, which was partly in use as a taxiway; green marker lights should have indicated this function, in contrast to runway lights which were white or yellow. There were signs in place at the sides of the entrance to 05R and instructions indicating the runway conditions had been distributed to airlines. Pilot error was thus clearly a factor, although airport and air traffic control security also came under scrutiny. The results of the investigations into reasons for the plane being on the wrong runway and whether negligence was a factor were still outstanding in April 2002.

RESPONDING TO THE CRISIS

Within one hour of the crash, a crisis management team met at Singapore’s Changi Airport, the airline’s base. This included Civil Aviation Authority of Singapore (CAAS) representatives. A crisis management centre was established in the basement of Terminal 2 at the airport, with other stations in Taipei and overseas. SIA’s Deputy Chairman and Chief Executive Officer (CEO), Dr Cheong Choong Kong, and Vice President of Public Affairs, Mr Rick Clements, were to play important roles in the team, especially with regard to public and media communications. Dr Cheong and Mr Yeo Cheow Tong, Singapore’s Communications and Information Technology Minister, had both made their way to the scene of the crash by 1 November, and had spoken to family members and paid their respects to the dead. On the following day, SIA staff observed a one-minute silence and company flags throughout the world were flown at half-mast.

Efforts were made to contact relatives and to fly them to the accident site as soon as possible. Support staff were also sent to Taipei to assist investigations and to act as ‘buddies’. ‘Buddies’ were matched with the victims’ next-of-kin by gender, religion, language and culture, and acted as a direct link between SIA and families affected. The ‘buddy’ system had been introduced in 1993 and over 350 staff had participated in the training.

The company announced that it would provide US$5,000 to survivors and US$25,000 to the next-of-kin of those who died, for immediate relief. Later, it offered each of the families of passengers and crew killed US$400,000 compensation without delay, in addition to the aid given earlier. SIA would also pay the medical expenses of the injured and discuss compensation with them. There were reports, however, that some families were seeking higher amounts and there was the possibility of legal proceedings in the future.

A total of 20 news releases were issued by SIA, describing the events and SIA actions, and providing updates on survivors and casualties. At the same time, a series of media briefings and press conferences were held in Singapore and Taipei. The contents of these press releases and conferences during the days up to 6 November are summarised in Exhibits 1 to 3. Singapore’s principal daily newspaper, The Straits Times, devoted much news space to the crash, and published articles which commented on the company’s handling of the situation. Several references were made to the 1997 SilkAir crash, and complaints by the victims’ next-of-kin about the limited amount of information they received and the slowness of the investigation into the cause, which was still unknown.

COMMERCIAL IMPLICATIONS OF THE CRASH

The accident had an immediate effect on SIA share prices, which fell 2.3 percent in early trading on 1 November, 5.7 percent on 3 November and another 3.3 percent on 6 November. The stocks had previously been rising strongly, bolstered by half-year net profits of S$1.14 billion or nearly double the previous year’s figure. Commentators tended to concur that this was short term “knee-jerk selling” and that the attraction of the airline would not be damaged in the longer term. A local analyst said SIA was “unlikely to be accused of negligence” and noted its “reputation for having one of the youngest fleets in the world and excellent maintenance record”, while a foreign analyst agreed that the “carrier’s record [was] its own strength”.

These comments were made before the news of pilot error and SIA acceptance of full responsibility, and a later report estimated that the airline’s financial liabilities as a result of the crash would exceed US$140 million. The loss of the aircraft also meant that SIA had to suspend about six return flights every week out of its total of 600, mostly on intra-Asian and Australian routes, resulting in lost revenue. Passengers were offered alternative SIA flights, or flights on other carriers. It was anticipated that services would return to normal with the earlier than planned delivery of a new Boeing 747-400 in March 2001.

SUBSEQUENT DEVELOPMENTS

Dr Cheong and senior SIA staff attended every victim’s funeral wake in Singapore wherever relatives did not object. An ecumenical memorial service representing all faiths was announced on 10 November, to be held in Taipei on 18 November. SIA arranged to fly out the victims’ next-of-kin and were represented by the CEO, Executive Vice President, four Senior Vice Presidents, 150 Singapore staff and many of the 200 Taipei staff. The invitation to relatives came jointly from SIA and Taiwan’s Minister of Transport and Communications.

The company ceased advertising until 8 February 2001, in order to observe the traditional Chinese 100-day period of mourning for the dead, and media interviews were also resumed at the beginning of that month. Media attention eventually waned, although the subject continued to generate interest in Singapore and Taiwan. The airline came under greater scrutiny and the press pursued stories such as those related to minor technical incidents which previously might have gone unnoticed.

The CEO addressed various internal groups on the subject of the crash, making reference to it in his New Year message. There was agreement amongst

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2 SIA shares dive 2.3%. (2000, November 1). The Straits Times, Singapore.
3 See Exhibit 2 - News Release 13: Statement by CEO.
4 Analysts focus on SIA’s exposure to claims. (2000, November 4). The Business Times, Singapore.
the Public Affairs staff that news releases in the short
term should focus on factual company and business
news, information technology and service
enhancements, and community service activities. In
the longer term, it might be necessary to revisit brand
positioning and reconsider marketing efforts. A new
initiative was proposed, involving the establishment
of an internal staff programme with the preparation of
a communications tool kit for the field, advising ground
staff and cabin crew on how to respond to enquiries
in emergency situations such as another crash.
EXHIBIT 1

SUMMARY OF NEWS RELEASES NOVEMBER 2000

1 NOVEMBER

Time (hours)
1. 0200 Confirmation of the crash, aircraft, flight and number on board. Telephone numbers for media and next of-kin to call.
2. 0455 Acknowledgement of fatalities.
3. 0630 Confirmation of 66 fatalities.
4. 0930 Families urged to get in touch with SIA using next-of-kin hotline. SIA attempting to make contact. Specific condition of individual passengers not available for release.
5. 1300 Confirmation of 48 receiving outpatient treatment, 51 injured and hospitalised, 68 fatalities and 12 unknown.
6. 1600 Confirmation of 79 fatalities, identification of 99 receiving outpatient treatment or hospitalised. The status of one still to be determined.
7. 1800 List of passengers and crew accounted for (100) and unaccounted for (78).

2 NOVEMBER

8. 0200 Statement by CEO (See Exhibit 2 - News Release 8).
9. 0900 Next-of-kin of 70 percent of passengers contacted, identification in progress and names to be released progressively.
10. 1530 Confirmation of 81 fatalities.

3 NOVEMBER

11. 1230 List of positive identifications after DNA testing (22) and those ‘presumed to be deceased, but positive identification and/or DNA testing yet to be completed’ (59).
12. 2100 Updated list of positive identifications after DNA testing (36) and those ‘presumed to be deceased’ (45).
13. 2100 Statement by CEO (See Exhibit 2 - News Release 13).

4 NOVEMBER

14. 1130 Updated list of positive identifications (52) and those ‘presumed to be deceased’ (29).
15. 1600 Offer of compensation.

5 NOVEMBER

16. 1030 Updated list of positive identifications (73) and those ‘presumed to be deceased’ (8).

6 NOVEMBER

17. 1745 All passengers and crew accounted for. Repatriation of bodies underway. Survivors remain in hospital, have resumed their travels or returned home.
EXHIBIT 2
DETAILS OF SELECTED NEWS RELEASES

News Release 8: Statement by CEO, 2 November 2000

“Words fail to express the great sadness that I and all my colleagues at Singapore Airlines are feeling right now. We are shocked at this incident and saddened by the pain and grief that it is causing for many. Our deepest condolences go out to everyone touched by this event. I have come here directly from Christchurch, New Zealand, where I was attending a business meeting. I came here as soon as I could. I wanted to be here with the passengers, to be with the crew, and to be with the family members of those who were on the flight. Our priority now is to do all that we can for the passengers, for the crew and for the family members. We have brought to Taipei a contingent of more than 150 Singapore Airlines support staff who are especially trained to offer support and counseling to family members in times such as these. They are here to ensure that we do everything we possibly can do for the passengers and their families. We have provided some immediate financial relief to all passengers and their families. We have provided some
immediate financial relief to all passengers and their families. We have provided some

While I am here, I want to see how else we can help. If there is anything else we can do, we will certainly do it. We are working closely with the Taiwanese Civil Aviation Authority’s investigation team. We want to help get as much information out to everyone as quickly as possible, and we appreciate the important role the media plays to keep everyone well informed. That is why you will hear me talking about the facts. It is important that we stick to the facts. Speculation and theories cannot do anything to help anyone. We would like to thank you for your support, and also to thank the many Taiwanese Government authorities that we have been working with, including the CAA, MOTC and MOFA. Also, I would like to pay a tribute to the many brave men and women who helped in the rescue effort in some very difficult conditions. This includes the firemen, the emergency workers, the doctors and the nurses.”

News Release 13: Statement by CEO, 3 November 2000

“This evening, we have heard the preliminary findings of Taiwan’s Aviation Safety Council. Evidence has been presented by the investigation team, which included experts from Singapore. As unlikely as it seemed at first, the plane was on the wrong runway. We accept this finding. We are deeply distressed and concerned. It is critical that we understand exactly what happened and precisely what made the cockpit crew believe that they were on the correct runway. We are cooperating fully with the investigators so that we can understand what went wrong. A team of our experts is in Taipei for this purpose. We need to understand what the contributing factors were. Apart from working with the investigators and the airport authorities, we will be examining all possibilities ourselves, to discover what could have led to the fatal error. We will be looking at human factors and also what could be done to make airports safer. Once the answers are established, we will take whatever action is necessary to ensure that this tragic accident doesn’t happen again. There are lessons to be learned— we need to understand what they are. We fully accept our responsibility to our passengers, our crew and their families. This is a terrible tragedy, and we are deeply sorry. Our priority remains to do whatever is necessary to help everyone affected, and to meet their immediate needs. We are providing every form of assistance and care they require. Our thoughts are with those who have lost their loved ones, and I hope and pray for the quick recovery of those who were injured.”
EXHIBIT 3
PRESS CONFERENCES NOVEMBER 2000

1 November (0710 hours)
The Chairman of SIA (Dr Michael Fam) says that “my personal feeling is that it was an accident”. He claims that the reputation of SIA will remain intact and the accident is “the first involving fatalities in SIA's history” and “should not affect the confidence of passengers and shareholders” (The Straits Times, 2000, 1 November). Immediate assistance will be given to the families of the dead and SIA will spare no efforts to help them. A group of 130 staff had left at 0630 hours for Taipei and an aircraft to ferry relatives there is planned for later.

1 November (1000 hours)
The cockpit crew members are named and it is stated that there are 68 fatalities, 71 have been injured, 31 unhurt and nine unaccounted for. It is also reported that the captain had told his supervisor that he saw an object on the runway, which he tried to avoid. Two planes are scheduled to leave for Taipei, the first with 37 family members accompanied by special SIA support staff, and the second later in the day with other relatives and another support team.

1 November
Rick Clements says that the flight with relatives and support staff scheduled to leave at 1100 hours has been postponed because of bad weather and the 0630 hours flight has also been diverted to Hong Kong. SIA is planning a special flight from Los Angeles to Taipei on the following day to take families of passengers from US to the accident site.

1 November (Taipei)
The Managing Director of Taiwan’s Aviation Safety Council and Chief Investigator for the Taiwan aviation authorities probe (Dr Yong Kay) suggests that the debris was on 05R runway, indicating that the plane had been trying to take off from the wrong runway.

1 November
In response to questions about the wrong runway being used, SIA does not accept there is evidence of pilot error and Rick Clements says that “an experienced pilot should not have made the mistake of using the wrong runway” (The Straits Times, 2000, 2 November). The captain has 11,235 hours of flying experience, 2,017 of these on 747s, is familiar with the airport and has been with SIA for 21 years.

2 November (Taipei)
A relative of one of the victims demands of Dr Cheong why SIA has been slow in giving information about victims. Dr Cheong speaks of the “need to balance the need for information, the need for accuracy and also the need to be considerate of the feelings of the people concerned”. He criticises the media for releasing names before the next-of-kin have been informed, saying that “the airline chose not to release the names immediately because we felt the relatives should be mentally prepared first before we take steps to let everyone else know” (The Straits Times, 2000, 3 November).

2 November
A distraught member of the same family evades police guards to interrupt the media briefing in Singapore being broadcast live on national television. The man is allowed to remain and speaks for about 15 minutes, expressing his anger over the lack of news about his brother who had died in the crash. At the end, Rick Clements puts his arms around the man and apologises to him.

3 November (2100 hours)
After it has been verified that the plane was on the 05R runway, Dr Cheong makes the statement which forms News Release 13. The briefing lasts 45 minutes and is followed by a question and answer session.