

Leapfrogging the Clouds: Singapore Airlines' Innovative Transformation and Voyage to the Future

Weiheng Chen *

Department of Leadership and Management and Marketing, The University of Newcastle, Fuzhou, China

*Corresponding Author: 2533109275@qq.com

ABSTRACT

This paper explores Singapore Airlines (SIA) strategic response to the COVID-19 pandemic, focusing on the airline's recovery strategy, digital transformation, and innovation initiatives. Despite facing significant challenges, SIA demonstrated resilience and adaptability through the application of Kotter's and Lewin's change models and a commitment to change. Quantitative data analysis indicates a notable recovery in SIA's financial performance, highlighting the company's dedication to innovation and operational excellence. The study concludes that SIA's approach underscores the significance of visionary leadership and proactive management in overcoming adversity and serves as a guide for sustainable growth in the aviation industry post-pandemic.

KEYWORDS

Singapore Airlines (SIA); COVID-19 pandemic; Change; Kotter's change model; Lewin's change model; Quantitative data analysis

1. INTRODUCTION

The opportunities and issues facing the airline industry are discussed in the book *Aviation in the 21st Century: Connecting the Dots*. These include realizing the impact of world events, increasing cross-functional collaboration within companies, working more closely with the travel sector, and increasing social media engagement (Taneja, 2017). As society and technology evolve, innovation has become synonymous with the new era. Innovation has profound impacts and significant benefits across all industries, fostering development, enhancing efficiency, and more. For the aviation industry, innovation means staying ahead of the market. This paper takes the world-leading Singapore Airlines as a case study to analyze what "change" means for Singapore Airlines, discussing how it has responded to past challenges and how it should adapt.

Singapore Airlines, formerly Malayan Airways, was established in 1972 and based out of Changi Airport. Three airlines make up the Singapore Airlines Group: Singapore Airlines, SilkAir, and Scoot, its subsidiaries. Singapore Airlines is a prominent player in the worldwide aviation business, renowned for its innovative and high-quality services. But the 2019 outbreak had a disastrous effect on the aviation sector, costing Singapore Airlines record-breaking losses. Travel restrictions and a nationwide lockdown exacerbated the situation, leading to record annual losses of \$3.21 billion (ANI, 2021). Despite these challenges, the airline's solid foundation allowed it to avoid bankruptcy.

The purpose of this paper is to explore the theme of "change" by examining how Singapore Airlines swiftly recovered from the impacts of the pandemic and earned the title of Airline of the Year in 2023, following the end of the pandemic. The paper will analyze Singapore Airlines' digital transformation,

technological applications, service structure, and workforce renewal. Quantitative data analysis will be employed, along with Kotter's Eight-Step Model and Lewin's Change Model, to analyze the transformations undertaken by Singapore Airlines.

2. LITERATURE REVIEW

To explore new areas for creating value for customers and airlines, Nawal Taneja published the book "21st Century Airlines: Connecting the Dots" in 2017, emphasizing the necessity of digital transformation for airlines. The book also explores how airlines can innovate and develop their network planning, including recognizing the limitations of existing modules, creating new modules, and integrating planning. However, it still lacks emphasis on the necessity of transformation in the aviation industry and how to implement such change (Taneja, 2017). In a study conducted by Lercel in 2019, focusing on a major regulatory change proposed by the Federal Aviation Administration (FAA) in the United States, Lewin's force-field analysis model and questionnaire methodology were employed (Lercel, 2019). The study identifies problems with this change, and despite the qualitative and quantitative methods used, it is primarily an initial exploration of the concept of change readiness in a large industry facing a major public policy shift. The distribution of the study sample did not precisely match the overall population distribution, particularly with an underrepresentation of small organizations. As a result, the generalizability and applicability of the findings are limited. The most recent event that required an immediate change in the aviation industry's response was the 2019 New Crown outbreak, which wreaked financial havoc across the aviation value chain, especially for airlines (Bouwer et al., 2022).

The most recent research on Singapore Airlines is in the book *Creating a Sensory Airline Brand: Singapore Airlines, 2024*, which discusses the integration of sensory experiences into Singapore Airlines. In the future, Singapore Airlines will utilize the senses of sight, sound, smell, touch, and taste to have a profound impact on the minds of passengers while considering how to maintain and innovate the sensory brand experience (Jayakrishnan, 2024).

3. QUANTITATIVE DATA ANALYSIS

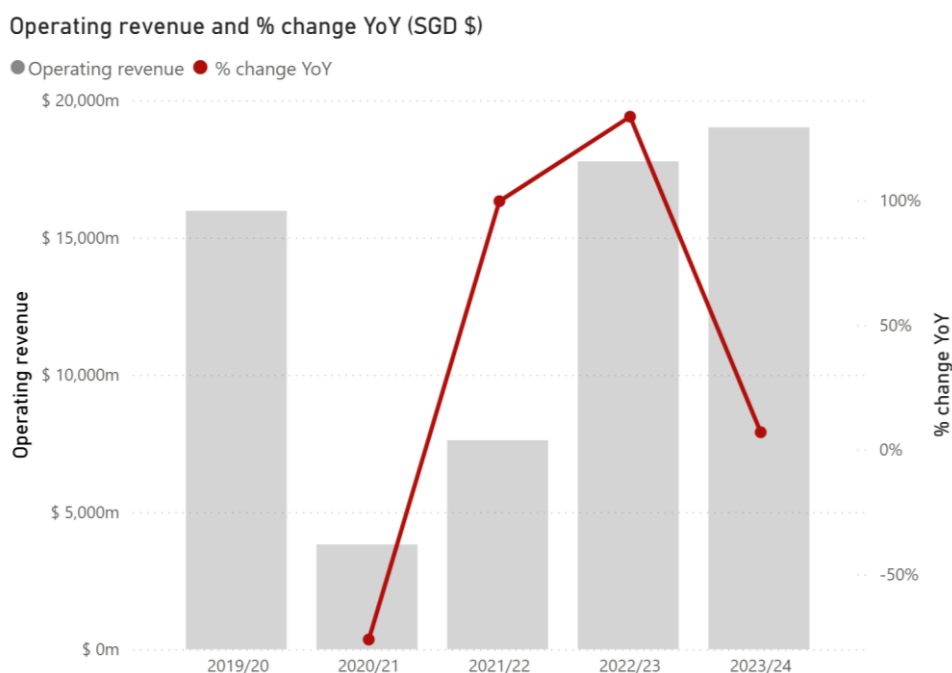


Figure 1. Changes in SIA's operating revenue from 2019 to 2023 (Finance | Singapore Airlines Group | Flight Global, n.d.)

The chart shows the operating revenue of Singapore Airlines for the financial year 2019-2024. SIA's operating income declined sharply from April 2020 to May 2021 due to COVID-19. Thereafter, the company recovered year-on-year and achieved strong growth in FY2022-2023 and FY2023-2024. Overall, SIA's financial performance improved year-on-year after the COVID-19 outbreak, demonstrating strong resilience and market adaptability. Analysis of quantitative data shows that SIA's financial performance has rebounded significantly and improved sharply year-on-year, reflecting the company's resilience and market adaptability. This recovery is attributed to the company's strong commitment to change, such as the rapid recovery in passenger revenue and a digital-first strategic alignment.

4. KOTTER'S EIGHT-STEP MODEL

Applying the famous Kotter's 8-Step Model to the changes made to Singapore Airlines in recent years is innovative in a way that has rarely been used before. Dr. Kotter has observed leaders and organizations implementing or modifying strategies for over 40 years. He identified common success characteristics and extracted them into an eight-step process for leading change (Kotter, 2024).



The Framework

Figure 2. Kotter's 8-Step Model

As can be seen in the figure above, Kotter's eight-step model can be initially categorized into three groups:

The first group is that creating a sense of urgency, building a guiding coalition, and forming a strategic vision. These three phases are known as change preparations, and they are essential to successful change because they foster a climate that drives stakeholders to act. The COVID-19 outbreak forced Singapore Airlines (SIA) to act quickly and decisively as passenger numbers and revenues plummeted. The severe impact on the airline industry demonstrated the need for major reforms in order to survive and thrive. SIA recognized the urgency and quickly assembled a strong leadership team, including senior management and key stakeholders, to lead the transformation process (Cook & Billing, 2023; Wei, 2020). It is precisely because Singapore Airlines has a leadership team committed to leading the brand strategy that the senior management can quickly mobilize to tackle difficulties during the pandemic.

SIA anticipated changes to the flight experience post-COVID-19 and formed a working group to address these issues (Wei, 2020). Throughout the epidemic, SIA undertook several sustainability programs and committed to zero emissions by 2050, demonstrating SIA's strong sense of corporate social responsibility and vision for change (Singapore Airlines, 2021).

The second group is that enlisting a volunteer army, enabling action by removing barriers and generating short-term wins. The three phases accelerate the pace of change by communicating a

vision, engaging stakeholders proactively in the change, and setting short-term goals to increase the desirability, acceptability, and purpose of the change. Due to COVID-19, the general embargo, and reduced revenue, Singapore Airlines (SIA) had to lay off employees and offer early retirements. When the embargo lifted, SIA rushed to hire new staff to regain operational capacity. However, this haste led to inadequate training, resulting in lower service quality and a decline in the airline's reputation. Despite a high number of applicants, SIA faces challenges in finding suitable candidates for specialized positions, leading to ongoing labor shortages. Intense competition from other industries, such as hotels offering better compensation for frontline staff, further complicates the talent market for SIA (Min, 2022).

In addition to labor shortages, SIA faced financial pressures, inadequate staff training, and market demand uncertainty after COVID-19. SIA recognized these problems and streamlined processes, adopted new technologies, and provided training and support to staff. By addressing these barriers, SIA was able to implement its strategic initiatives more quickly and effectively.

Creating short-term achievements was crucial. Singapore Airlines' 2023 World's Best Airline title testifies to the staff's dedication and sacrifices to prepare SIA for the aviation industry's comeback. As a result, SIA emerged as a stronger global airline after the pandemic (World Airline Awards, 2023). Wins are the molecules of results. To keep tabs on developments and encourage volunteers to stick with the project, they must be identified, gathered, and shared frequently (Kotter, 2024).

The third group is that sustaining acceleration and instituting change. The latter two levels are practice-oriented and focus on suggesting and maintaining change initiatives. These actions, when regularly followed, can lead to full acceptance of changes, making them the new normal. Singapore Airlines (SIA) maintains the pace of change by building on initial successes and focusing on long-term goals to remain adaptable and resilient. SIA is committed to environmental sustainability, aiming for net zero carbon emissions by 2050. To achieve this, SIA is investing in efficient aircraft technology, Sustainable Aviation Fuels (SAF), and carbon offsetting schemes. The airline collaborates with partners to develop a robust SAF supply chain and carbon market and works with stakeholders in Singapore to create a holistic decarbonization plan. This plan supports Singapore's goal of strengthening its aviation hub and maintaining future competitive advantage (Singapore Airlines, 2021).

One of SIA's long-term goals is to improve operational efficiency and customer experience through digital transformation. This includes adopting advanced data analytics tools, developing new digital service platforms, and enhancing cybersecurity to adapt to future digital needs. Perseverance in initiating change is key until the vision becomes reality. It is important to link organizational success with new behaviors and ensure these behaviors are maintained until they replace the old ones (Kotter, 2024).

5. LEWIN'S CHANGE MODEL (ISSUES AND RECOMMENDATIONS)

One of the greatest frameworks for determining how a corporation should change is Lewin's Change Model. The process of reshaping ice and water into the desired shape is compared to the changes the business should make; the process of melting an ice cube is compared to the process of disrupting the status quo of the company; and finally, the process of solidifying an ice cube is compared to the process of re-stabilizing the organizational structure (Mind Tools Content Team, 2022). Lewin's work of more than 25 years has found that behavioral change follows a sequence of thawing, moving, and freezing (Elrod and Tippett, 2002).

During the unfreezing phase, many problems came to light due to COVID-19, even though Singapore Airlines was considered a reputable airline. First, Singapore Airlines' technical problems were particularly fatal. In 2023, Singapore Airlines was delayed due to a technical problem where passengers waited for about eight hours while the air conditioning was turned off for repairs, resulting in many

travelers becoming unwell and even fainting (Diaz, 2023). This shows that even after the outbreak, technical problems with Singapore Airlines still existed and were mishandled. Secondly, the deterioration of service quality and recruitment difficulties are also serious issues. From the stakeholders' point of view, this situation can lead to a drop in revenue and even bankruptcy. These are all negative trends for the airline, and Singapore Airlines must make immediate changes to "thaw" the status quo.

During the moving phase, new concepts are developed, and procedures are modified to address issues identified during the thaw phase. Movement occurs when the forces driving the change are greater than the forces resisting the change (Lewin, 1997). In the face of the problems described above, Singapore Airlines must act quickly. The following recommendations will help SIA to make adjustments while ensuring that the interests of all parties are met. The first is to put the customer first, customer satisfaction is fundamental in any service industry, and ensuring that the customer's interests are prioritized regardless of any contingencies. Secondly, SIA has to strengthen its technical support, improve its digital transformation, and use data analytics and predictive maintenance to identify potential safety hazards in advance. These recommendations will help SIA to consolidate its position as a great airline in the future and the most important stage of change.

The Refreezing process describes the changes necessary to "make the new situation permanent" (Lewin, 1943). To guarantee that the behavior is reasonably safe against regression, refreezing is intended to stabilize the behavior in a new quasi-static equilibrium. To stop regression, refreezing necessitates that the new behavior complements and is consistent with the personalities, settings, and other behaviors of the individuals involved (Schein, 1996). Singapore Airlines needs to translate successful change initiatives into standard operating procedures and ensure their continuous implementation. Establish a monitoring and evaluation system to regularly assess the effectiveness of new procedures and to quickly identify and resolve problems. For example, to better handle and appease passenger complaints, Singapore Airlines needs to improve the staffing and management of the complaints department at the airport.

6. RESULTS AND CONCLUSION

In the aviation sector, the extraordinary trajectory of Singapore Airlines (SIA) is a shining example of resilience and creativity. This study examines the various strategies SIA adopted in the turbulent post-pandemic environment, leveraging workforce renewal, digital transformation, and technological breakthroughs to not only recover but thrive. Using Kotter's eight-step model and Lewin's three-step change model, this essay analyzes the multidimensional strategies adopted by SIA to gain a deeper understanding of the breadth and depth of its change initiatives. Quantitative data analysis shows that SIA's financial performance has rebounded significantly, with strong year-over-year improvements reflecting the company's resilience and market adaptability. This recovery has been driven by the company's strong commitment to change, such as the rapid recovery of passenger revenues and the strategic realignment towards digital prioritization. Analysis of quantitative data shows that SIA's financial performance has improved significantly, with significant year-on-year growth, demonstrating the company's resilience and flexibility in the market. The rapid recovery in passenger revenue and the strategic realignment to digital-first both demonstrate the company's strong commitment to change, which is driving the turnaround. SIA's commitment to sustainability, to achieve net-zero carbon emissions by 2050, and investment in advanced technologies and sustainable aviation fuels, has made it a leader in environmental stewardship in the aviation industry.

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