



Alternative Strategies to Avoid Layoff in Airlines Industry During the Covid-19 Pandemic

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ABSTRACT

This research was carried out to explore the layoff situation among the Airline industry during the COVID-19 pandemic and suggest the alternative strategies that would consider by the Airline company. The method used in this research is an online questionnaire distributed to 100 respondents as the primary data collection and the secondary data analysis from the empirical studies that can obtain from electronic and non-electronic media. The findings of this research indicated that one of the suggested alternative strategies, Furlough, is the most recommended one. However, Attrition and Hiring Freeze strategy has less recommended because of the low effectiveness of this strategy on downsizing companies. The study enables the airline company to consider the alternative strategies on their downsizing policy in order to minimize the employees and company loss.

Keyword: AirAsia, Airline, Attrition, COVID-19, Furlough, Layoff, Pandemic

INTRODUCTION

The definition of layoff refers to the temporary or permanent removal of employment of an employee or a group of employees for business reasons. Most of the time, the reasons are involved in business restructuring or business downsizing in critical period (Noer, 1993; Kannan, 2015). Layoff is always preferable to the corporate because it becomes one of the cost reduction strategies and prevents redundancy positions happens in the operations management of the corporate (Kokas, 2010). The employees who have been laid-off by the corporate will usually entitled to get compensation, depends on their length of service and positions in the corporate under the employment regulation of the state.

At the end of 2019, the coronavirus disease has discovered in Wuhan China and caused a pandemic disease outbreak among around world. The coronavirus disease pandemic also known as the Covid-19 pandemic has affected most of the economy activities and



had a major impact on world economy. The situation raised was so severe that lockdown measures were undertaken stopping most of the business operations and this in turn caused a huge loss for organizations. One of the most affected economic industries by the pandemic is the aviation industry, because many countries have restricted their nation borders and executed country lockdown to minimize the spread of the COVID-19 disease. Malaysia is one of the countries executed country lockdown known as Movement Control Order (MCO) from the mid of March 2020 until May, and then followed by the Conditional Movement Control Order (CMCO). However, the policy of MCO has brought negative effects to the domestic economy in such industries such as transportation, entertainment, and tourism industries.

In Malaysia, there are two main Airline corporates operating on a big scale, which is Malaysia Airlines, also known as MAS, and AirAsia. Both Airline corporates have suffered greatly from their businesses from the COVID-19 pandemic outbreak. According to Choong (2020), the management of AirAsia Group Bhd is expected to be laid off over 250 employees, including the cabin crew members, pilots, and engineers to downsizing the operation. Subsequently, the management of AirAsia Bhd and AirAsia X Bhd has confirmed the retrenchment of 10 percent of their 24,000 employees. The dismissal of employees during Covid-19 pandemic was also carried by India Travel company, MakeMyTrip. MakeMyTrip has decided to lay off about 400 employees who are not on its payroll. It has about 650 people employed for backend and support services but plans to fire 60% of the total headcounts in the department (Chin, et. al, 2020). Indeed, these policies of retrenchment will lower the operation cost of AirAsia to gain more confidence from the stockholders, but it also sacrifices the talented workforces in the aviation field and caused economic hardship to those who retrenched.

The main purpose of this research is aimed to explore the alternative strategies that the aviation company may consider to help the employees who have lost their occupation as well as to help the organizations to deal with the situation in a better way. This research has proceeded with this PEST analysis to determine the factors that led to the layoff situation in the aviation industry. According to Kenton (2020a), PEST Analysis is a management method to analyze and monitor the major external factors that influence the operation of organization. PEST analysis is an acronym to the words of Political, Economic, Social, and Technological.

During the outbreak of Covid-19 Pandemic outbreak, the political environment of Malaysia has faced several challenges with big issues such as the shifting coalition politics in February 2020, which caused the politic of Malaysia has become chaos among the parties.

“The Malaysia new prime minister, Muhyiddin Yassin is attempting to hold together a fragile majority in parliament while staking a claim to legitimacy amid the public-health and economic crises caused by COVID-19.” (IISS, 2020).

As an unstable political status, prime minister Muhyiddin Yassin has collaborated with his colleagues to announce several policies in order to restrict the spreadable of pandemic disease and the economic recovery. As the business environment of the aviation industry is often surrounded by the political atmosphere such as the close border policy and Movement Control Order, which have restricted the operation of aviation



transportation during the period. With these political policies, AirAsia as the low-budget airline corporation needs to adapt to the suitable implementation and make necessary changes in corporate policy to avoid actions being taken by the governments.

In 2020, the biggest impact on the economic factor of the aviation industry is the COVID-19 Pandemic which has seen the lowest period in the travel market. In addition, airline stocks are one of the most hit stocks this year. As reported in *Bursa Malaysia*, since the beginning of January, AirAsia Group Bhd's share price has plummeted, and it is believed related to the coronavirus outbreak, downward of profitable potential, and the corruption controversy of management. The AirAsia's profitable potential has been decreased since the downturn in tourism this year. However, AirAsia as a low-cost carrier company, the profitable potential is theoretical believed to recover faster than other airlines company and will be more resilient in the downturn as tourists always prefer to travel on LCCs during this period. As the challenges from the economic factor, AirAsia has to regain confidence from the stock market by executing the right policy in order to funding for their operation from their capital.

Social environment is most essential to human being as they tend to thrive in social groups (Ingold, 2015; Lister, 1984). As the social distancing policy has been practiced by the world, social media nowadays is the relationship connector among people (Choi & Chung, 2012). Nowadays, many corporations have involved themselves on increasing their online accessibility between the consumers and their business to survive in this critical period. In addition, the Malaysia's government encourage the domestic firm allowing their employees to work from home in order to avoid the coronavirus disease spread among the nation. As a result, the rising of the convenience of online meeting platform has impacted the demand of the passengers' flights on aviation industry. It will avoid unnecessary face to face business meeting from far distance.

As there is an increase in the number of social media platform and its usage, it requires high level technological environment in order to support the stability of the platform usage. As Malaysia is classified as an emerging and developing country by the International Monetary Fund (IMF), the technological environment in Malaysia has a certain high level of achievement on adoption in digital technology (Kumar, 2019). Indeed, the aviation industry corporations has developed multiple digital applications and IT transformation projects to create convenience on businesses and the consumers. For example, However, the stability and the coverage of internet in non-urban area are still the challenges to the adoption of digital businesses.

The airline industry is suddenly facing a new environment where capacity is reduced, and passenger demand is declining for the foreseeable future. The number of customers who want to board a plane will be reduced due to new rules implemented by the government that citizens in Malaysia are not allowed to cross the country and travel abroad. Within months, the sky has been emptied because of the unpredictable COVID-19 crisis.

Due to the covid-19 pandemic, Air Asia Group had to lay off more than 250 employees and staff which been announced during the interview session. Air Asia is struggling to maintain its group operations and revenue across the region following the coronavirus outbreak. There are many airlines company that may have to experience technical



bankrupt or at least breached a debt agreement that will bring many problems to their company. Laying off employees to cover losses is a good idea, however, this strategy will cause problems to employees and staff that have been laid off such as losing financial resources to cover family members. According to the founder of AirAsia, Tan Sri Tony Fernandes said that the move to terminate the service of staff had to be undertaken and it was his responsibility to try to get the airline back and provide his staff with other jobs (MalayMail, 2020).

"It is... the selflessness of workers who would rather cut their hours than see a friend lose their job which sees us through our darkest hours" (Quoted from Barrack Obama; The New York Times' Transcript, 2009). This quote is quite related to the layoff situation happening in the aviation industry during the COVID-19 pandemic. Severe low demand on the aviation industry due to the restriction movement and the close border has given the impact on increasing the layoff case in the aviation industry. Employees were hoping to get an employer's offer to work less and receives less pay for the survival of the organization instead of being laid off (Green, 2010). There are alternatives for employers to slash their workforces and avoid the layoffs at the same time. The strategies such as salary cuts, extended unpaid holiday, furlough were mostly done by the companies which decreasing at labor cost and less drastic of layoff to the employees during the global economic downturn in 2008 (Richtel, 2008). Layoffs will cause unnecessary force on permanently destroying the relationships between the organization and employees, thus slowing down the recovery of labor market and the recovery of the economy (Wolcott, Ochse, Kudlyak, & Kouchekinia, 2020). Therefore, it is necessary for the aviation industry companies to consider the alternatives for layoff and hanging the organization on the preparation of the future economic recovery. This research will be proposing the theoretical alternative strategies that provide similar attributes as the layoff strategies, which is the cost reducing or organization downsizing, but at the same time also reduce the cost to the workforces and the labor market. The theoretical alternative strategies that suggested in this research is to achieve a win-win situation between the process of company recovering and the economic status of the workforces. The strategies meant are Furlough, attrition and hiring freeze.

Furlough is a temporary leave of employees in short or long term depends on the conditions of the company or employers (Sucher & Winterberg, 2014). The furloughed staff are usually requested to use up accrued paid time off or the essential crews that will reduce the working hours to save labor cost (Lawrie, 2020). They are still technically employees to the company and retain the employees right and benefits during furlough. Some of the companies are allowed the furloughed staff to seek for a temporary employment during the furlough period, and request for unemployment with their previous company if they found better working environment. This research believes that the most persuasive reason to the company to apply furlough instead of layoff is furlough retain the talented workforces within the company while keeping the business afloat during the critical period (Badiru, 2014).

Attrition in business is a process in which the employees retire or resign to achieve management purposes of reduction in the workforce (Sengupta, 2012; Kenton, 2020b). Unlike layoffs, the reduction of workforces due to attrition is actually cost less devastating to company morale because this strategy is carried out by voluntary which the employee has decided to retire, industry-changing, or working environment changing. The



reduction due to the attrition is also called Hiring Freeze as there will not have any hire replacement to the workforces' position who will been reduced (Kenton, 2020b). This strategy has been considered as one of the alternatives to layoff as it cost less disruptive way on the workforces and the company morale.

According to the background of the information, the objectives of this study are, 1). To study the awareness of the layoff situation in the aviation industry among the public, 2). To study the acceptance of the suggested theoretical alternative strategies from the public, 3). To analyze the public opinion and reason behind accepting the suggested alternatives over layoffs.

RESEARCH METHOD

Research methodology is the techniques used to identify and analyze the information about a research topic. This methodology session will be used to evaluate the validity and reliability of the research studies. Our research study is mainly focused on the alternatives to layoff situation in the airline industry during the COVID-19 Pandemic. Therefore, this research will analyze and interpret data obtained from the primary research method and the secondary research method.

In this pandemic many companies have suffered a huge loss of business, as a result of this companies are compelled to cut down their expenses in order to survive this crisis. Due to this tough situation many companies have chosen to lay off their employees to survive the pandemic crisis. The employees who were laid off by the companies feel helpless as many of them relied on their employment as it was their primary source of income. In order to avoid such situations, this research intends to explore alternate strategies that can be chosen by company over layoffs. The layoffs have an impact over the company as well because the workload for other employees increases. Once the crisis ends the companies would look for hiring and after hiring new employees the companies expense increases in training the new employees.

In this chapter, we will explain the details from the preparation of the questionnaires, how and where we distribute our questionnaires, and the analysis method of the data we obtain from the primary data and secondary data.

Primary Data

The primary data is the data that is collected from the first-hand sources with the methods such as survey, interviews, and experiments. The advantages of primary data are the information obtained is updated, and the primary data are also easily connected with the research topic which is being analyzed.

The primary research is carried out by questionnaire-based survey to collect people's opinion on the layoff strategy chosen by the company. Due to the pandemic situation, we were limited to collect the data through online mode. The data was collected by quantitative method wherein we surveyed people with multiple questions relevant to Layoffs and converging the focus more onto AirAsia Airlines. The responses collected includes people's opinions, suggestion, and perceptions about layoffs. The survey also included questions regarding Furlough and Attrition strategies which are a reasonable option companies can consider over layoffs. To ensure accuracy in the survey,



respondents were informed that their identity will be kept anonymous so that the respondents may freely express their opinions and suggestions.

Secondary Data

The secondary data refers to the data that is collected through previous studies by other organizations. Secondary data was obtained from Internet and extracted from articles relevant to AirAsia layoffs. This data was used to analyze the AirAsia Lay off situation, which is where we found the quantitative figures that about 10% of their workforce was retrenched to cut down on expenses and keep the company surviving.

This research will include the secondary data related to the alternatives to layoffs which can be obtained from the previous research, articles, and journal by other organizations. The secondary data are not always updated with the latest situation and it requires explanation and analysis skills to relate the data with the current situation. However, the secondary data can be easily obtained on the electronic and non-electronic media and it would not cost much on obtaining the information data.

The research used the questionnaire by Google Form to collect the primary data from the respondents. The questionnaire distributed to the public via the internet in order to interact and obtain various information with the respondents from different industries. We also located the information on secondary data from the articles and journals on the internet and extract useful information used in the research study.

The research population size is targeted to the public between the Malaysia and India because the questionnaire is distributed online. The data was collected using Simple Random Sampling technique with a sample size of 100. This number can be considered as sample out of a bigger population. Therefore, the sample size of a research study will be affecting the sampling confidence level based on the population size.

Due to time resource and pandemic limitations, this research survey is targeted to obtain 100 responses as a sample size for our research analysis. This might not be a huge number, but we will be able to draw some valuable conclusions at the end after analyzing the data.

In this research, descriptive research method was used to analyze opinions, suggestions, and perceptions of the respondents about AirAsia layoff situation. A descriptive research is a type of research that accurately analyses and systematically describes a population, phenomenon, or a situation. As the research design, we provide a structured questionnaire detailed with the question related to the research topic and the suggestion of theoretical alternatives to layoff. Our survey questionnaire is aimed to obtain the opinion of the real effectiveness of the theoretical alternatives in the real business during the pandemic period. On the other side, we will also analyze the obtained data based on the industries and the employment status of the respondents to identify the relationship among them.

In the questionnaire, the topic relevant questions are mostly using the 5-point Likert scale to specify the respondents' level of agreement to a specific statement by rating. Likert scale is a psychometric scale which commonly wide used in questionnaires. It is a bipolar scaling method which measuring the intensity of the respondent's feelings for a given



statement. Aside, the questionnaire also prepared spaces for the respondents to express their thought and suggestion.

RESULTS AND DISCUSSION

A structured questionnaire was created using Google forms and circulated among general public including students, working professionals and others. The total of 100 responses were obtained and the analysis was carried out. There were 19 questions framed including Demographic survey and topic relevant questions. The questions were formed in such a way that the respondents could freely express their opinions as their identity is kept anonymous.

Table 1. Summary of Respondents' Demographic (n= 100)

Responses	Frequency	Percentage (%)
Age		
20 – 30 years old	90	90.0
31 – 50 years old	9	9.0
50 years old and above	1	1.0
Nationality		
Malaysian	81	81.0
Indian	18	18.0
Unidentified	1	1.0
Employment Status		
Student	55	55.0
Self-Employed	8	8.0
Retired	1	1.0
Not Employed, but looking for work	5	5.0
Employed	31	31.0
Highest Education Level		
Certificated	4	4.0
Degree	60	60.0
Diploma	13	13.0
Master	9	9.0
Secondary School	13	13.0
Primary School	0	0.0
STPM / Foundation	1	1.0

Demographic Respondents

The purpose of collecting the demographic data is to record the characteristics of the



respondents and ensure the validity and reliability of the data sources. Based in Table 1, we received a total of 100 respondents' data which distributed mainly from two nationality, Malaysian (81% of responses) and Indian (18% of responses). Among the responses, 90% of respondents were from the young adult group which is from 20 – 30 years old. We can conclude that the majority of responses were collected from the Malaysian young adult group, therefore the data result we obtained will be believed more toward from the opinion of the young generations in Malaysia.

The employment status of the respondents also matched with the age range as most of the respondents were students (55% of responses) followed by the employed (31% of responses). It has indicated that the responses we obtained will be more related to the theoretical opinion instead of real experiences because the respondents were mostly from the student group which lack of working experiences.

However, we believed that the responses are still reliable as the education level of respondents were at least secondary school. The majority of respondents (69% of respondents) were carrying their degree level or above as their highest education level.

Table 2. The Awareness and Experiences to Layoff Situation

Response	Frequency	Percentage (%)
Are you aware of layoff's situation in AirAsia?		
Yes	85	85.0
No	15	15.0
Have you ever experienced layoffs by a company before?		
Yes	14	14.0
No	86	86.0

The Awareness and Experiences to Layoff Situation

Based on Table 2, the responses from the questionnaire in investigating the awareness about the layoff situation in AirAsia during the COVID-19 pandemic, as much as 85% of the respondents were aware of the layoff situation in AirAsia, whereas 15% of respondents were not aware of this situation happened. This had indicated that the layoff situation in AirAsia during this critical period was very concerned by the public.

According to the question which identifying the respondents' self-experiences in layoff situation of the respondents, there were 86% of respondents had no experience with layoffs before, and 14% of respondents are had experienced layoffs by their previous company. This data was merely acceptable as most of the respondents are from the young generations, whereas 55% of respondents' employment status were students and had not much working experience in the labor market.

**Table 3. First impression on AirAsia's Retrenchment News**

Response	Frequency	Percentage (%)
What is the first impression when you heard AirAsia laid-off over 2000 employees to survive through this critical period?		
Sympathy for the company as this strategy is being forced to carry out during these difficult periods	54	54.0
Angry at the company as they ignore the contribution of the laid-off employees	8	8.0
Feeling helpless and sympathy for those laid-off employees	38	38.0

First Impression on Airasia's Retrenchment News

According to the responses, most of the respondents, as many as 54 respondents out of the 100 respondents (54%), felt sympathy for the company as this strategy is being forced to carry out during these difficult periods. This conveys that nearly half of the respondents are compassionate with the circumstances that faced by AirAsia during COVID-19 pandemic. It cannot be denied that AirAsia has tried their best in control and stabilize their company especially towards their employees but ended up deciding to go with retrenchment.

Furthermore, the second higher choices chosen by respondents is statement 3, which they were feeling helpless and sympathy for those laid-off employees, supported by 38 respondents (38%). Indeed, we, as a bystander, really cannot help much in the decisions of a big company. Nevertheless, about 8% of respondents' first impression is angry at the company as they ignore the contribution of the laid-off employees. As far as the behavior of these respondents is concerned, we can indicate that they used to think from the perspective of the difficulties of employees.

Table 4. The Level of Agreement on Statement Related with Layoff

Responses	Frequency	Percentage (%)
Do you agree with AirAsia's layoff strategy to survive in this critical period?		
Strongly Disagree	8	8.0
Disagree	6	6.0
Neutral	30	30.0
Agree	40	40.0



Strongly Agree	16	16.0
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Layoffs are done only with the company's benefit in focus.

Strongly Disagree	2	2 . 0
Disagree	3	3 . 0
Neutral	26	2 6 . 0
Agree	48	4 8 . 0
Strongly Agree	21	2 1 . 0

There should be better alternatives to layoff during this pandemic disease outbreak.

Strongly Disagree	2	2 . 0
Disagree	2	2 . 0
Neutral	18	1 8 . 0
Agree	57	5 7 . 0
Strongly Agree	20	2 0 . 0

The Level of Agreement on Statement Related with Layoff

The respondents were given 3 statements and asked to grade them according to their level of agreeing. It permits respondents to answer all the more accurately and it furnishes you with more nuanced overview reactions to investigate. The statements involved questions about the company's decision to go with layoff in this critical period,



was this decision solely taken with company’s interest only and whether there should be any other alternatives to layoff in this pandemic time.

Out of all the responses collected about 56% of respondents supported the company’s decision on layoffs agreeing that the layoff strategy was chosen for the survival of company. Whereas 30% of respondents neither agreed nor disagreed with the layoff strategy for company’s survival and about 14% respondents were against the company’s decision to lay off employees for its own survival. It was interesting to see that about 69% of the respondents believed that this strategy by AirAsia was only taken solely with company's best interests, whereas 26% of respondents neither agreed nor disagreed and about 5% of respondents were against the statement that this decision was taken only with company’s interest. When asked for respondent’s opinion “whether there should be a better alternative to layoff in this pandemic”, 77% of the respondents preferred a better alternative over layoff, whereas 18% of respondents chose to go with neutral opinion the other 5% disagreed to the statement.

Table 5. The Level of Agreement on Statement of Furlough and The Reason

Responses	Frequency	Percentage (%)
Do you agree that furlough is a better strategy then layoff for the airline industry in this pandemic disease outbreak?		
Strongly Disagree	0	0.0
Disagree	2	2.0
Neutral	2	28.0
	8	
Agree	4	45.0
	5	
Strongly Agree	2	25.0
	5	
What is the reason/s for your answer to the question above?		
Furlough strategy will reduce the financial burden to the employees involved compared to layoff.	6	67.0
	7	
Furlough strategy will retain the talented workforces in the organization for future expansion.	6	67.0
	7	
Layoff strategy does more effective on cost reduction and organization downsizing.	3	30.0
	0	
Layoff strategy will give the employees freedom on choosing another suitable career during this pandemic period.	2	21.0
	1	



Alternatives Strategies: Furlough

Although layoff can reduce company losses, but this strategy seems to be unfair especially to the laid-off employees. Therefore, our group will carry out some alternative strategies to avoid layoffs in the aviation industry during the covid-19 pandemic. One of the strategies is furlough strategy, furlough is an alternative strategy to layoff which gives temporary leave to employees in the short or long term depends on the conditions of the company. To find out the opinion of the public about furlough to replace the layoff strategy, we got the data from the respondents as shown on Table 2. According to the responses, majority respondent is agreed which is 45 respondents (45.0%) followed by 25 respondents (25.0%) that strongly agree. This indicates a lot of respondents' opinions on agreed that furlough is a better strategy than layoff for the airline industry in this pandemic disease outbreak.

The reasons behinds the level of agreement on the furlough strategy are also obtained as in Table 2. From the 100 responses we obtained, we can see that majority of respondents which is 67.0% assume that the Furlough strategy will reduce the financial burden to the employees involved and Furlough strategy also will retain the talented workforces in the organization for future expansion. As many as 67.0% of respondents felt that the furlough strategy should be able to replace the layoff strategy with the benefits stated above. However, there are 30.0% of respondents assumed that the layoff strategy is more effective on cost reduction and organization downsizing and 21.0% of respondents choose Layoff strategy will give the employees freedom on choosing another suitable career during this pandemic period. It is quite clear that they believe the layoff strategy produces a quick cut to the employee and the company cost.

Table 6. The Level of Agreement on Statement of Attrition and The Reason

Responses	Frequency	Percentage (%)
Do you agree that attrition and hiring freeze is better strategy then layoff for the airline industry in this pandemic disease outbreak?		
Strongly Disagree	1	1.0
Disagree	7	7.0
Neutral	37	37.0
Agree	42	42.0
Strongly Agree	12	12.0

What is the reason/s for your answer to the question above?

Attrition and hiring freeze strategies will retain the company's morale and productivity.	48	48.0
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Layoff strategy has forced the employees to leave the company and the company's morale might be affected.	31	31.0
Attrition and hiring freeze will keep the company productive while the labor cost is reducing.	45	45.0
Attrition and hiring freeze strategies have low effectiveness on cost reduction and organization downsizing compared to layoff strategy	40	40.0
Attrition and hiring freeze strategies are not suitable during this pandemic period.	29	29.0

Alternative Strategies: Attrition and Hiring Freeze

In the questionnaire, the respondents were asked to answer above question and choose their specific reason for the answer. The responses collected are as depicted in the graph above. We can observe that about 42% of the respondents agreed and 13% strongly agreed to the statement conveying that attrition & hiring freeze are a better strategy than layoff. It can be seen that about 37% of the respondents gave a neutral response, whereas 7% disagreed & 1% strongly disagreed to the statement. However, majority of the responses agreed and supported the attrition & hiring freeze strategy over layoff, we can conclude that attrition & hiring freeze are better accepted strategy over layoff as per the respondents.

In the table above, we can observe the reason for the respondents answer for the above statement. It can be observed that about 48% of the respondents chose the reason "attrition and hiring freeze strategies will retain the company's morale and productivity" conveying it would retain company's morale as well as productivity. The 45% of respondents chose the reason as attrition and hiring freeze will keep the company productive while the labor cost is reducing, conveying their emphasis on company's productivity. In the two reasons above, we have about 93% of the responses concerned about retaining company's productivity, we can observe that respondents focus was also towards company and its survival and not just sympathy for the laid-off employees.

There were about 40% of the respondents choosing the reason "attrition and hiring freeze strategies have low effectiveness on cost reduction and organization downsizing compared to layoff strategy", conveying that attrition & hiring freeze are not much effective in terms of cost reduction & organization downsizing. About 31% of the respondents chose "Layoff strategy has forced the employees to leave the company and the company's morale might be affected" conveying how layoff would affect the retained employees and have a hit on company's morale. There were 29% responses choosing the reason "Attrition and hiring freeze strategies are not suitable during this pandemic period".



CONCLUSIONS

This research was carried out to understand and perceive general public's opinion about the retrenchment by AirAsia in this pandemic situation and explore similar other alternatives. From the result of awareness of the layoff situation in the aviation industry, we can conclude that most of the public aware of the execution of layoff in the aviation industry and most of them felt sympathy for the related company for being forced on executing the devastating policy to their employee. On this research, we have suggested three main ideas of alternative strategies, which are Furlough, and Attrition and Hiring Freeze to replace the layoff strategy in the aviation industry during this pandemic outbreak. From the result of the questionnaire responses, most of the respondents agreed that Furlough is a replacement to layoff strategy. They felt that Furlough will save the labor market and the cost reduction plan of the company at the same time. However, there are minority voices from respondents remain neutral or disagreed with this proposal of Furlough as it does not give effectiveness as layoff on cost reduction to the company. We will conclude that Furlough can be accepted to be an alternative strategy to layoff if the company is emphasis on consideration upon the employees' financial burdens.

On the other side, the alternative strategy, "Attrition and Hiring Freeze" does not have much support as the Furlough strategy do. Most of the reasons given by the respondents are this alternative strategy does not affect much on the undergoing downsizing policy company. However, some believed that attrition in business will increase the company morale as they execute the policy based on the voluntary of employees. We will conclude that the "Attrition and Hiring Freeze" strategy are not reliable for the alternative strategy to layoff, especially during this critical period. The conclusion of this research is that layoff strategy seems to be inevitable during this critical period although many companies have tried their best to retain the workforces. Our research study mainly proposes the idea of the public which is persuading the airline industry companies to consideration of avoiding layoff as much as possible and replace it with the suggested alternative strategy, Furlough.

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