

**FINAL
ALTERNATIVE ASSESSMENT**

(COVER PAGE)

Session : April 2022

Programme : Diploma In Business Management Programme (DBM/DBMS)

Course : **WMGT1108: PRINCIPLES OF MANAGEMENT**

Date of Examination : 6th August 2022 (Saturday)

Time Start : 6th August 2022 (Saturday) @ 8:00am

Time End : 7th August 2022 (Sunday) @ 8:00am

Duration : 24 Hours

Special Instructions :

This paper consist of **1 (ONE) SECTION**. Answer ALL **3 (THREE)** case studies.

Material permitted : Nil

Materials provided : Nil

Examiner(s) : **Dr Rachael Poh**, Atirah Kamaruddin, Syed Izzaddin

Chief Moderator : Claudine Shalani Kenel

This paper consists of 5 printed pages, including the cover page

DIPLOMA IN BUSINESS MANAGEMENT PROGRAMME (DBM/DBMS)
WMGT1108: PRINCIPLES OF MANAGEMENT
FINAL ALTERNATIVE ASSESSMENTS: APRIL 2022 SESSION
24 HOURS

Instructions: This paper consist of **ONE (1) SECTION**. Answer **ALL THREE (3)** questions. For each question, you're required to provide answers between **300-400 words**. You will be penalized if you exceed the word limit.

Strictly do not copy and paste the case study and instructions in your answer sheet, label the questions you answered instead, eg Question 1, Question 2 and Question 3. You will be given 24 hours to complete and submit your answer to Blackboard.

The acceptable SafeAssign similarity percentage is 0-25%. From 26%-50%, your total marks will be deducted by 20%. Above 50% your marks will be deducted by 50%. Please do write your answers using your own word, copy paste directly from websites/ other sources will affect your SafeAssign similarity percentage. This assignment should be prepared individually.

Case Study

SWOT ANALYSIS OF AirAsia

Strength

AirAsia has a strong brand name. It has a good reputation and a large market around the world. AirAsia had been established more than 20 years ago (Neal & Ahmad, 2006). The brand name played a significant role too. For instance, the color and font in the logo displayed boldness and simplicity (Lim, Mohamed, Ariffin, & Guan 2009). Therefore, it has a close relationship with customer trust. This airline company proved not only popular among the Asia Pacific but also international because of their high-quality services at low fare, providing customers with the greatest value and benefits (Neal & Ahmad, 2006). AirAsia also collaborated with different partners. For example, the company cooperated with Travelport Global Distribution System (GDS) and Official Airline Guide (OAG) that make it easy for customers to check flight information such as flight prices, schedule, and ticket booking (Elliott, 2021). Besides, AirAsia has launched an e-commerce platform that enables customers to place orders for different categories of goods via AirAsia's website and supports home delivery services. It has strengthened the brand name of AirAsia during the outbreak of Covid-19 (Yun, 2021). Besides, AirAsia's management team is so strong that they are good in strategy management and execution. Since the establishment of the company, the management team has always ensured to provide the best and high-quality services to their customers. That is why AirAsia is the leader of Asia's low-cost airline (Lim et al., 2009). During the pandemic, financial and strategic management are extremely important to the company because it is related to its current and future development. This epidemic is undoubtedly the biggest challenge the world has encountered. Fortunately, the management team can quickly come out with solutions and execute them, so that the company can continue to operate without being forced to shut down in the crisis time (The Edge Markets, 2020). When AirAsia suffered losses due to the low demand for air travel,

the company started to implement few strategies and reduce the costs. AirAsia as an airline company has been diversifying into other industries such as the food industry. This shows the creativity and ingenuity of AirAsia's management team in facing challenges and solving problems (Tan, 2021). In addition, AirAsia's low and affordable price allows all customers with different income levels to enjoy affordable aviation expenses (StudyMoose, 2021). Therefore, customers are willing to choose this airline than other high-priced airlines.

Weakness

Low-cost airlines are vulnerable to certain circumstances such as certain restrictions, as they operate in restricted cash flow levels (Dias, Allis, & Martellota, 2020). This is an event that may lead to a significant financial impact. AirAsia was able to satisfy their popular tagline "Everyone Can Fly". AirAsia's administration consolidates low-cost operations. The working costs were the same as the least wage. Thus, to maintain lost costs in operations and to satisfy the tagline, it would result in low profits (Bhasin, 2019). In any case, due to the reduced toll of working by AirAsia, the benefit assets are restricted. The challenge of maintaining the service and at the same time ensuring the pricing is reasonable arises. Restricted airships might occur when there is an issue within the operation. Due to the constrained number of human assets, AirAsia may not handle sporadic circumstances such as when there's a high demand from clients, they cannot satisfy each request due to limited specialists, it causes a few of the clients to go to other carriers (AirAsia, 2020c)

Opportunity

Even there are many obstacles during Covid-19, yet, where is a will, there is a way. AirAsia noticed that people tend to online shopping via online platforms due to the movement restriction. As a result of this, AirAsia newly launched a product portfolio which is AirAsia beauty. To cope with the rising demand for beauty and skincare products, Airasia beauty was simultaneously launched in Malaysia and Indonesia (Mahru, 2020). As the huge demand for beauty products is discovered in the Airasia shop during Covid- 19 period, AirAsia determined to bring out Airasia beauty as an independent service (Gan, 2021). Users will seek an exceptional online shopping experience through this portal, which offers direct personalized beauty advice, customer reviews, and top recommendations from AirAsia employees and other users. In addition, the CEO of AirAsia disclosed their plan to expand throughout Malaysia and Indonesia, accompanied by other ASEAN countries (Hew, 2021). Apart from that, Tan Sri Tony Fernandes planned to combine airlines with ride-hailing services, as the customers who book flights with AirAsia are more likely to have their transportation enable them to travel to and from the airport (Aziz & Goh, 2021). As Covid19 continues to wreak havoc on the airline business, the AirAsia Group intends to operate a drone delivery service as well as an air taxi service as its diversification. Meanwhile, new proposals along with the air taxi service were established and the testing operation is expected. CEO of AirAsia said at the Youth Economic Forum 2021, the air taxi will have four seats and one pilot (Posts, 2021). Furthermore, the airline's logistic division is currently reviewing the urban drone delivery service together with the Malaysian Global Innovation and Creativity (MaGIC).

Thereupon, this drone delivery service is expected to run its first delivery before year-end (Solhi, 2021). Subsequently, the launch of 'Redbeat Academy' was originally prepared to multi-skilling and enhance AirAsia AllStars. It provides a collection of technology workshops covering mostly IT-related topics. Nevertheless, it now opens to the public (New Straits Times, 2020). Apart from that, during the pandemic, another opportunity opened for AirAsia. AirAsia should take the chance to improve and work on other aspects of the organization. For instance, they can improve on the working environment such as the working hours and the job performance of the employees as a joint effort of the employees and top management to go through the critical times (Irdina et al., 2020).

Threat

One of the threats is competition. In a market consisting of many airlines, competition will exist. This would drive them to provide better for their customers, yet at the same time poses a threat to AirAsia. The airlines are Air India, Singapore Airlines, Malaysian Airlines, and Malindo (Bhasin, 2019). Unexpected circumstances can deeply influence and in fact, be a threat to firms. The Covid-19 pandemic impacted the airlines because certain measures including the travel restrictions had to be made to control the situation (Monmousseau, Marzuoli, Feron, & Delahaye, 2020). One of the impacts was the reduction of passengers. During the first quarter of 2020, AirAsia group recorded 11 percent layoff (Business Today, 2020). Another threat is the vulnerability of being an independent low-cost carrier (LCC). Facing Covid-19, some companies have the advantage, which AirAsia does not have. Difference between receiving support from the government would exist (CAPA – Centre for Aviation, 2020).

Source (Excerpt): Nair, R.K., Ganatra, V., Kaur, K., Kee, D.M.H., Khoo, W.T., Khor, S.Y., Rao, K. and Mahajan, J. (2021). (20 marks) Analysis of Strategies Implemented by AirAsia to Cater to the Covid-19 Effects. *Journal of the Community Development in Asia (JCDA)*, [online] 4(3), pp.49–67. Available at: <http://www.ejournal.aibpm.org/index.php/JCDA/article/view/1181>.

Question 1

Define and elaborate **THREE (3)** managerial skills training for the managers in Air Asia. Justify your answer based on the case study with specific example of each of the managerial skill). (30 marks)

Question 2

As one of the manager in AirAsia, suggest **THREE (3)** improvements for the employees based on the stages of organization development in coping with change. (30 marks)

Question 3

- a) Describe **FOUR (4)** causes of an employee to resist change with relevant examples based on the case study. (20 marks)
- b) Discuss **FOUR (4)** strategies for AirAsia in managing change based on the issues presented in the case study. (20 marks)

(Total marks: 100 marks)

~THE END~

WMGT 1108(F)/April 2022/Formatted