

# Korean Air puts 70 percent of staff on leave

April 8 2020



Most of Korean Air's staff will go on leave from April 16 for six months

South Korea's flag carrier Korean Air will put 70 percent of its 19,000 staff on furlough, it said, as it scrambles to cope with the coronavirus pandemic that has brought global aviation to a standstill.

The [airline industry](#) is among the sectors worst hit by the virus and the

ensuing travel restrictions, with thousands of flights cancelled, routes cut, and companies facing financial turmoil.

Korean Air is the flagship of the Hanjin group, one of the multifaceted, family-controlled conglomerates known as chaebols that dominate business in South Korea and played a key part in its rise to become the world's 12th-largest economy.

Most of its staff will go on leave from April 16 for six months in response to "deteriorating business circumstances", Korean Air said in a statement.

According to normal South Korean practice, the workers will receive 70 percent of their normal pay, with most of it—reportedly up to 90 percent—funded by a government scheme for industries in need of special assistance due to the coronavirus.

Korean Air's labour union agreed to participate as part of a "burden-sharing" initiative, the company said—executives have also agreed to take pay cuts.

The furlough measure comes after a months-long battle for control of the company between members of its founding Cho family.

Cho Hyun-ah, who had made global headlines for a "nut rage" scandal when she forced a taxiing plane back to the gate over a bag of macadamia nuts, sought to oust her brother Cho Won-tae from the chairmanship.

The brother fended off the challenge, winning 56.67 percent support in a shareholder vote last month.

The Hanjin group was in financial trouble long before the coronavirus

outbreak wreaked havoc on airline finances worldwide—subsidiary Hanjin Shipping was once one of the world's top 10 container lines, but went bankrupt in 2017.

© 2020 AFP

Citation: Korean Air puts 70 percent of staff on leave (2020, April 8) retrieved 25 April 2024 from <https://techxplore.com/news/2020-04-korean-air-percent-staff.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.