



**Resilience and Reinvention in Crisis:**  
A Comparative Case Study of Ryanair and Norwegian's  
Adaptive Strategies During the COVID-19 Crisis

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## **Abstract**

**Title:** Resilience and Reinvention in Crisis: A Comparative Case Study of Ryanair and Norwegian's Adaptive Strategies During the COVID-19 Crisis

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This dissertation explores how two European low-cost airlines, Ryanair and Norwegian Air Shuttle (Norwegian), responded to the unprecedented disruption of the COVID-19 pandemic. Although both operated within the same industry and under similar external pressures, their contrasting business models and financial structures led to fundamentally different paths of survival and adaptation.

The central question guiding this study asks how these structural differences influenced each airline's ability to respond, adapt, and recover during the crisis. Using a qualitative, comparative case study design based on secondary data, the analysis draws on several theoretical lenses, including dynamic capabilities, organisational ambidexterity, and stakeholder theory, to interpret how firms navigate uncertainty and reinvention under extreme pressure.

Ryanair's experience illustrates the power of consistency. Its conservative financial model, strict cost discipline, and stable leadership allowed it to preserve liquidity and emerge from the crisis even stronger. Norwegian, by contrast, represents resilience through reinvention. Faced with near collapse, it underwent a deep restructuring that transformed its strategy, structure, and identity, allowing the company to regain legitimacy and return to profitability on smaller, steadier terms.

The comparison highlights two distinct expressions of resilience: one rooted in discipline and continuity, and the other in simplification and renewal. Together, they show that resilience is not a single formula but a reflection of organisational coherence: the alignment between who a company is and how it chooses to respond when everything changes.

**Key Words:** resilience, dynamic capabilities, crisis management, organisational ambidexterity, airline strategy, strategic adaptation.

## **Resumo**

**Título:** Resiliência e Reinvenção em Tempos de Crise: Um caso de estudo comparativo entre as estratégias de adaptação da Ryanair e Norwegian durante a crise da COVID-19

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Esta dissertação analisa a forma como duas companhias aéreas low-cost europeias, a Ryanair e a Norwegian Air Shuttle (Norwegian), responderam à disrupção sem precedentes provocada pela pandemia de COVID-19. Embora ambas operassem no mesmo setor e enfrentassem pressões externas semelhantes, as suas diferenças nos modelos de negócio e nas estruturas financeiras levaram a caminhos de sobrevivência e adaptação profundamente distintos.

A questão central que orienta este estudo procura compreender como essas diferenças estruturais influenciaram a capacidade de cada companhia para responder, adaptar-se e recuperar durante a crise. Recorreu-se a um estudo de caso comparativo e qualitativo baseado em dados secundários, enquadrado por várias perspectivas teóricas, incluindo as capacidades dinâmicas, a ambidestria organizacional e a teoria dos stakeholders, para interpretar como as empresas gerem a incerteza e a reinvenção em contextos de grande pressão.

A experiência da Ryanair ilustra a força da consistência. O seu modelo financeiro conservador, a disciplina de custos e uma liderança estável permitiram-lhe preservar liquidez e sair da crise ainda mais fortalecida. A Norwegian, por outro lado, representa a resiliência através da reinvenção. Confrontada com o colapso iminente, realizou uma profunda reestruturação que transformou a sua estratégia, estrutura e identidade, permitindo-lhe recuperar legitimidade e regressar à rentabilidade numa escala menor e sustentável.

A comparação revela duas expressões distintas de resiliência: uma enraizada na disciplina e na continuidade, e outra baseada na simplificação e na renovação. Em conjunto, mostram que a resiliência não é uma fórmula única, mas o reflexo da coerência organizacional.

**Palavras-chave:** resiliência, capacidades dinâmicas, gestão de crises, ambidestria organizacional, estratégia no setor aéreo, adaptação estratégica

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## **List of Abbreviations**

CEO: Chief Executive Officer

COVID-19: Coronavirus Disease 2019

EU: European Union

IATA: International Air Transport Association

NOK: Norwegian Krone

Norwegian: Norwegian Air Shuttle ASA

S&P: Standard and Poor's

SWOT: Strengths, Weaknesses, Opportunities and Threats

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## 1. Introduction

At the start of 2020, the COVID-19 pandemic brought one of the most disruptive shocks in the history of commercial aviation. Practically overnight, border closures, travel restrictions, and a collapse in global demand placed airlines under extreme operational and financial pressure. This dissertation examines how carriers navigated these conditions by analysing the adaptive strategies of two major European low-cost airlines, Ryanair and Norwegian. Although both operate in the same competitive space, their distinct business models and financial profiles created divergent pathways through the crisis, offering a valuable comparison of how internal design shapes resilience under severe uncertainty.

While both companies emphasise affordability and efficiency, Ryanair and Norwegian represent contrasting strategic philosophies. Ryanair's model is centred on simplicity, liquidity, and cost discipline, supported by a conservative financial structure. Norwegian built its growth around long-haul expansion, asset-light financing, and rapid scaling. These differences make the comparison analytically relevant, because they show how structural choices can determine the range and quality of responses available once conditions deteriorate. The central question guiding this study is therefore precise and comparative: how do contrasting business models and financial structures shape the capacity of airlines to respond, adapt, and recover during a systemic crisis?

Research on aviation during COVID-19 has documented financial strain, the scale of government support, and the collapse in passenger volumes. Less attention has been given to how organisational design interacts with crisis dynamics or to the mechanisms that translate structure into adaptive performance. This study addresses that gap by comparing two carriers exposed to the same shock but equipped with unequal strategic flexibility. By placing Ryanair's resilience and Norwegian's restructuring within the same analytical frame, the dissertation contributes to discussions on crisis management, strategic coherence, and organisational resilience.

The analysis draws on secondary data covering the period from 2019 to 2022, when both the disruption and the subsequent adaptive processes were most visible. It begins with a contextual overview of the industry crisis, followed by detailed case studies of each airline. The research is informed by a set of complementary theoretical perspectives that explain how organisations

adapt under pressure. These include capability-based views, ambidexterity, institutional and stakeholder theory, and established crisis-response frameworks, which provide the conceptual structure later used in the teaching note to interpret managerial decisions and strategic behaviour during the crisis.

## 2. Methodology

### 2.1. Research Design

This dissertation uses a teaching case study design to explore how airlines navigated resilience and strategic reinvention during the COVID-19 crisis. The approach fits the study's aim, as it connects theory with practice and shows how academic ideas can help make sense of managerial choices under pressure.

### 2.2. Data Collection

This case study draws on secondary data, combining annual reports and financial statements from Ryanair and Norwegian, before, during, and after the pandemic with industry publications from bodies such as IATA and Eurocontrol, as well as analyses from consulting firms and regulators. Media coverage from reputable outlets also adds important context on government restrictions and broader industry reactions. Relying on secondary data is particularly suitable for this investigation, given its accessibility, reliability, and the extensive documentation of the airlines' responses during the crisis. Although direct interviews might have added further perspectives, the abundance of publicly available material offers a sufficient and well-rounded basis for analysing the carriers' responses to the pandemic.

### 2.3. Analytical Approach

This study adopts a qualitative, comparative case study approach to interpret how Ryanair and Norwegian adapted to the disruption caused by COVID-19. The analysis is guided by the theoretical perspectives outlined in the Research Note, which highlight how organisational

strengths can both enable and constrain adaptation, how capabilities are reconfigured under pressure, and how firms balance established practices with the need for renewal. These ideas are complemented by frameworks of crisis response that distinguish between short-term retrenchment, perseverance, and longer-term innovation.

To structure the cases, the study combines these perspectives with supporting practical tools. A SWOT analysis positions the airlines' internal strengths and vulnerabilities, financial indicators assess resilience at the onset of the crisis, and a timeline of key decisions allows for a comparison of adaptive patterns. This analysis makes it possible to examine how contrasting business models and financial structures influenced the capacity of Ryanair and Norwegian to withstand, adapt, and reinvent themselves during the crisis.

## 2.4. Limitations

As with any case study approach, certain limitations must be acknowledged. First, the findings from Ryanair and Norwegian cannot be assumed to represent the entire airline industry. Second, the reliance on secondary sources does not allow access to the internal decision-making processes that may have shaped the strategies pursued. Finally, publicly available information on both companies is not always presented in a consistent manner, and differences in how they report and disclose data can influence interpretation and complicate a fair evaluation of their responses to the crisis.

Nevertheless, these limitations do not undermine in any meaningful way the overall value of the study. The availability of extensive public documentation allows for a complete and detailed analysis of both companies' responses, while the comparative approach enables us to highlight meaningful contrasts in resilience and reinvention between firms.

## 2.5. Data Reliability and Source Validation

The catalogue of data sources presented below and detailed in the Appendix forms the empirical foundation of this study. These materials were selected according to clear methodological criteria to ensure relevance, credibility, and consistency across both cases. Preference was given

to official and verifiable sources, including annual reports, investor presentations, and press releases from Ryanair and Norwegian, complemented by industry analyses from recognised institutions such as IATA, ICAO, and EUROCONTROL. Combining corporate, institutional, and policy documents strengthened the reliability of the analysis by offering multiple, independent perspectives on the same events.

To safeguard data quality, all sources were cross-checked for temporal consistency (2019–2022) and coherence between financial and operational information. Data drawn from company documents were compared with external analyses and reputable media coverage to identify discrepancies or potential bias. The study applied a structured documentary analysis approach, involving systematic reading, thematic coding, and synthesis of recurring topics such as liquidity management, restructuring, and stakeholder engagement. For transparency and ease of reference, each source is assigned an identification code (ID) in the Appendix, which is used consistently throughout the dissertation to trace the origin of specific evidence and interpretations.

<b>ID</b>	<b>Type</b>	<b>Description</b>
ICAO1	Industry Report	Industry report by ICAO (2021) analysing the global economic effects of COVID-19 on civil aviation.
ACC1	Industry Report	Accenture (2021) report exploring post-pandemic travel patterns and customer behaviour changes.
SKIFT1	Industry Report	Skift & McKinsey (2020) report outlining the transformation of global travel demand during the pandemic.
EGD1	Policy Report	European Commission (2019) policy framework setting the EU’s long-term environmental and aviation goals.
SA1	Policy Report	European Commission (2022) policy brief reviewing the COVID-19 State Aid Temporary Framework and its measures.
IATA1	Industry Report	IATA Annual Review 2019 providing an overview of the global airline industry before the pandemic.
IATA2	Industry Report	IATA Annual Review 2020 documenting the first pandemic effects on global aviation performance.
IATA3	Industry Report	IATA Annual Review 2021 presenting industry recovery trends and sustainability directions.

IATA4	Industry Report	IATA Annual Review 2022 summarising post-COVID stabilisation and future environmental goals.
EU1	Industry Report	EUROCONTROL Annual Report 2019 reviewing pre-pandemic European air traffic and operations.
EU2	Industry Report	EUROCONTROL Annual Report 2020 detailing the severe air traffic disruption caused by COVID-19.
EU3	Industry Report	EUROCONTROL Annual Report 2021 describing the gradual recovery of European flight operations.
EU4	Industry Report	EUROCONTROL Annual Report 2022 outlining the normalisation of European airspace after the pandemic.

#### Appendix 1.1 – Catalogue of Data Sources in the Air Transport Industry

<b>ID</b>	<b>Type</b>	<b>Description</b>
AR1	Annual Report	Ryanair Annual Report FY2019 presenting the airline's pre-pandemic structure and performance.
AR2	Annual Report	Ryanair Annual Report FY2020 providing the company's financial and operational pre-crisis overview.
AR3	Annual Report	Ryanair Annual Report FY2021 covering the airline's first full fiscal year under COVID-19 restrictions.
AR4	Annual Report	Ryanair Annual Report FY2022 showing the carrier's early post-pandemic recovery and growth plans.
PR1	Press Release	Ryanair press release (March 2020) announcing immediate operational and cost-cutting actions.
PR2	Press Release	Ryanair press release (May 2021) reporting financial results and recovery outlook for FY2021.
PR3	Press Release	Ryanair press release (September 2021) confirming post-pandemic expansion and fleet orders.

#### Appendix 1.2 – Catalogue of Data Sources on Ryanair

<b>ID</b>	<b>Type</b>	<b>Description</b>
ARN1	Annual Report	Norwegian Annual Report FY2019 summarising pre-COVID operations and growth strategy.
ARN2	Annual Report	Norwegian Annual Report FY2020 detailing financial conditions and liquidity pressures.
ARN3	Annual Report	Norwegian Annual Report FY2021 detailing financial conditions and liquidity pressures.
ARN4	Annual Report	Norwegian Annual Report FY2022 detailing financial conditions and liquidity pressures.
IP1	Investor Presentation	Investor presentation (January 2020) outlining Norwegian's strategy, fleet, and routes.
IP2	Investor Presentation	Investor presentation (April 2020) explaining Norwegian's liquidity position and restructuring plan.
PRN1	Press Release	Norwegian press release (August 2020) reporting the airline's pandemic-related performance decline.

### Appendix 1.3 – Catalogue of Data Sources on Norwegian

## 3. Research Note

### 3.1. Core Capabilities and Core Rigidities

Leonard-Barton (1992) describes core capabilities as bundles of skills, technical systems, managerial practices, and values that are deeply rooted in the firm. These capabilities are powerful since they provide the organisation an edge, allowing it to deliver products effectively and sustain competitive advantage. However, Leonard-Barton (1992) also warns that these same strengths can have a dark side. When a company leans on them too heavily, they can turn into core rigidities. In fast-changing industries, what once made a company successful can quickly become a barrier, locking it into outdated ways of operating. The real challenge for managers is therefore how to make the most of existing strengths without letting them become constraints.

### 3.1.1. Dynamic Capabilities

Dynamic capabilities provide a way out of this trap. Teece, Pisano, and Shuen (1997) define them as a firm's ability to integrate, build, and reconfigure resources when faced with rapid change. Teece (2007) explains them through three main actions: sensing opportunities and threats, seizing them through investment and strategic choices, and transforming the organisation so it can keep evolving. These are not improvised responses but deliberate processes that help firms stay relevant as markets shift. Barreto (2010) takes this further, showing that dynamic capabilities do more than help companies adapt: they also open the door to new sources of competitive advantage by systematically identifying and exploiting opportunities.

Put together, these ideas show a clear progression. Core capabilities can be a source of strength, but they can also weigh a company down if treated as unchangeable. Dynamic capabilities are what keep that from happening. They allow firms to update and reshape what they are good at, by turning potential weaknesses into renewed strengths.

### 3.2 Organizational Ambidexterity

The idea of organisational ambidexterity captures one of the most enduring dilemmas in strategy: how can firms exploit what they already do well while also exploring new opportunities that may secure their future? James March (1991) described this as the tension between exploitation, which prioritises efficiency, refinement, and certainty, and exploration, which requires experimentation, discovery, and risk-taking. Too much focus on exploitation leads to rigidity and decline, while too much exploration risks wasting resources without establishing stability.

Tushman and O'Reilly (1996) extended this insight by introducing the notion of ambidextrous organisations: firms that are able to manage both incremental, evolutionary change and more radical, revolutionary shifts. Their work emphasises that long-term survival depends not just on short bursts of innovation but on the ability to host contradictory structures, cultures, and

processes within the same organisation. In this view, ambidexterity is less about choosing between exploration and exploitation and more about finding ways to do both simultaneously.

Subsequent research has shown that ambidexterity can take several forms. Sequential ambidexterity refers to shifting over time between phases of exploitation and exploration, while structural ambidexterity involves creating distinct units for each activity that remain loosely integrated under a common strategic intent. More recently, the notion of contextual ambidexterity has suggested that individuals within a firm can be enabled to balance alignment with adaptability, provided the organisational systems and culture support it. Across these approaches, leadership plays a central role in holding together the tensions and enabling the organisation to benefit from both efficiency and innovation.

The evidence generally supports the view that ambidexterity enhances firm performance, particularly in uncertain or dynamic environments. It is associated with higher growth, greater innovation, and even improved survival prospects. Yet scholars also highlight its costs and limitations. Ambidexterity is inherently inefficient in the short term, since it requires maintaining parallel processes and investing in capabilities that may never pay off. Moreover, as the concept has been applied to a wide range of settings, there is debate about how precisely it should be defined and measured. If used too broadly, it risks becoming a vague label for almost any form of organisational adaptability.

What makes ambidexterity a valuable theoretical lens is that it frames the challenge of balancing continuity and change not as a choice but as a paradox to be managed. Rather than assuming organisations must either exploit or explore, ambidexterity recognises that both are necessary, and that the art of management lies in creating the structures, cultures, and leadership practices that make it possible.

### 3.3. Institutional and Stakeholder Theory

Stakeholder theory, introduced by Freeman (1984), broadened the understanding of corporate strategy beyond the traditional shareholder-centric view. It argues that firms operate within a complex web of relationships that includes investors, employees, regulators, governments,

communities, and customers. Each of these groups holds a stake in the organisation's decisions, and long-term success depends on how effectively managers recognise, balance, and respond to these diverse interests. In this perspective, addressing social, political, and ethical responsibilities is not peripheral to strategy but an essential part of it. Freeman's work reframed management as a continuous negotiation between competing claims, where legitimacy and trust are as vital to performance as efficiency and profit.

In parallel, DiMaggio and Powell's (1983) institutional theory offers a complementary explanation for how and why organisations tend to resemble one another over time. They describe this process as institutional isomorphism, which occurs not because imitation necessarily improves efficiency, but because it enhances legitimacy in the eyes of key stakeholders. The authors identify three main types of pressures that drive this convergence. Coercive pressures arise from regulations and laws that compel compliance. Normative pressures stem from professional standards and industry norms that define appropriate behaviour. Mimetic pressures emerge when organisations, faced with uncertainty, model their actions on peers perceived as successful or legitimate.

Taken together, stakeholder and institutional theory highlight that organisations do not operate in isolation. Strategic decisions are shaped by a constant interplay between internal ambitions and external expectations. Conformity with institutional norms and the cultivation of stakeholder trust can themselves be viewed as forms of strategic capital. They help sustain legitimacy and, ultimately, organisational survival. In this view, strategic success depends not only on operational efficiency or innovation but also on maintaining alignment with the social and institutional context in which the firm operates.

### 3.4. Crisis Responses

Crises expose organisations to abrupt and often destabilising shocks that demand rapid, high-stakes responses. Wenzel et al. (2020) identify four broad strategic reactions that firms commonly pursue: retrenchment, perseverance, innovation, and exit.

Retrenchment focuses on immediate cost reduction through layoffs, downsizing, or asset divestment. This approach can stabilise short-term performance but risks undermining long-term competitiveness if critical capabilities are lost. Persevering, by contrast, involves maintaining the existing course while relying on financial reserves or temporary slack to absorb the disruption. It allows continuity but is sustainable only as long as available resources last. Innovation represents a more proactive response in which the crisis is treated as an opportunity for renewal. Firms reconfigure business models, develop new offerings, or reposition themselves for post-crisis conditions. Exit, often regarded as a sign of failure, is reframed by Wenzel et al. as a deliberate strategic choice. Withdrawing from unprofitable markets or discontinuing unsustainable activities can release resources and lay the foundation for future renewal.

An important aspect of this framework is its focus on time horizons. Retrenchment tends to dominate in the short term, perseverance supports the medium term, and innovation drives the long term as the environment stabilises or transforms. Exit can occur at any stage when continuation becomes untenable. Crisis management, therefore, should not be viewed as a single decision but as a dynamic process of sequencing and recalibration, where firms may shift between approaches as circumstances evolve.

The strength of the framework lies in its analytical clarity, rather than its prescriptiveness. Real-world responses rarely conform neatly to a single category. Companies often combine elements of retrenchment and innovation, persevere while planning partial exits, or modify their approach as they learn through experience. The contribution of Wenzel et al. (2020) is to recognise this fluidity and to emphasise that effective crisis management depends not only on the choice of response but also on the timing and transition between them as the crisis unfolds.

### 3.5. SWOT Analysis

The SWOT analysis helps managers connect external trends to internal realities, examining how strengths, weaknesses, opportunities, and threats interact to shape strategic potential. Strengths and weaknesses reveal the organisation's internal resources, competencies, and

limitations, while opportunities and threats highlight external trends, market forces, and competitive pressures (Namugenyi et al., 2019).

When used effectively, SWOT is not a static checklist but a dynamic learning process. Revisiting it regularly ensures that strategic planning remains aligned with changing conditions rather than anchored in outdated assumptions. Its simplicity is both its advantage and its weakness: while it offers clarity, it can also mask complexity if used superficially. The real value of SWOT lies in the synthesis: in linking internal strengths with external opportunities while addressing weaknesses and anticipating threats. Applied this way, the framework becomes a tool for strategic reflection and decision-making rather than a descriptive summary.

## 4. Case Study

### 4.1 The Industry in Crisis

In early 2020, the world's skies fell silent. Within weeks, the COVID-19 pandemic erased decades of uninterrupted growth in commercial aviation. Across Europe, governments closed borders, imposed quarantine rules, and restricted nearly all non-essential travel. Jetways stood empty, departure boards filled with cancellations, and airlines scrambled to cancel flights, ground fleets, and protect the little liquidity they still held. Passenger traffic in Europe fell by roughly 73 percent in 2020, with monthly lows exceeding 90 percent during the spring collapse, while global industry losses exceeded 138 billion US dollars (IATA2). Flight activity across the continent dropped from around 11 million in 2019 to fewer than 5 million in 2020 (EU1). Within months, the European network that had symbolised mobility and integration was reduced to a fraction of its former scale.

The shock was uneven. Large network carriers such as Lufthansa and Air France-KLM depended on business travel and global hub structures that became impossible to sustain once borders closed. With revenues collapsing, they turned to their governments for emergency support: Germany approved a rescue package worth up to €9 billion for Lufthansa, including €6 billion in recapitalisation measures. France provided €7 billion in state-backed loans to Air France, while the Netherlands separately extended €3.4 billion to KLM (SA1). These bailouts

prevented immediate collapse but reignited debate about fairness and state intervention within Europe's supposedly integrated market.

Low-cost airlines faced a different kind of challenge. Their model depended on constant movement, high aircraft utilisation, and short turnaround times that kept planes in the air almost all day. When borders closed and demand vanished, that rhythm stopped instantly. Yet the same simplicity that once limited their flexibility now became an advantage. With leaner cost structures, fewer fixed expenses, and adaptable labour agreements, these airlines could adjust faster than legacy carriers.

The crisis exposed how fragile the industry truly was. Once governments imposed border closures and travel restrictions, airlines lost control over their operations and could no longer rely on established growth strategies or commercial performance. Survival became a matter of liquidity. Carriers with adequate cash reserves were able to remain in place until conditions improved, while those already constrained by debt had little capacity to respond and quickly reached the limits of their financial flexibility. The pandemic shifted attention from expansion to endurance and showed that, in periods of severe disruption, liquidity is the factor that determines which airlines can withstand a sudden collapse in demand.

During the crisis, travel behaviour shifted in ways that forced airlines to rethink their priorities. Remote work and virtual meetings sharply reduced business travel, while passengers placed greater emphasis on flexibility, streamlined digital booking and contactless service, which pushed airlines to accelerate technological adoption to restore confidence and make flying feel safe and straightforward (ACC1).

Environmental expectations also remained firmly in place. The European Green Deal reminded the sector that recovery required more than financial stabilisation and that visible progress toward sustainability had become integral to long-term legitimacy (EGD1). Updating fleets, improving fuel efficiency and investing in cleaner aircraft moved from distant objectives to immediate pressures. Carriers that combined financial resilience with credible steps toward greener operations were better positioned to regain the trust of regulators and passengers as activity gradually resumed.

## 4.2 Ryanair Before the Crisis

By early 2020, Ryanair Holdings plc had become the undisputed leader in European low-cost aviation. Founded in 1985 and headquartered in Dublin, the company had grown from a small regional operator into one of Europe's largest and most profitable airlines, carrying nearly 150 million passengers a year (AR2). Its model was simple yet remarkably effective: one aircraft type, rapid turnarounds, secondary airports, and an unwavering commitment to cost efficiency. Ryanair had long been known for turning simplicity into strategy. The same formula that limited flexibility in some areas allowed the company to achieve a level of operational consistency that few competitors could match.

The airline operated through four subsidiaries: Ryanair DAC, Buzz, Malta Air, and Lauda Europe. This structure gave management flexibility across Europe's complex jurisdictions (AR1, AR2). It allowed the company to navigate different labour laws, tax systems, and regulatory environments while maintaining a unified low-cost identity. By distributing operations strategically, Ryanair built resilience into its model long before resilience became a corporate imperative.

Financially, the company approached the new decade from a position of exceptional strength. In the fiscal year ending March 2020, it generated €8.5 billion in revenue, including €2.9 billion from ancillary services such as seat reservations, baggage fees, and priority boarding (AR2). Net profit reached €649 million, one of the strongest margins in the global airline industry. Load factors consistently exceeded 95 percent, a sign of its efficiency in filling aircraft even in competitive markets (AR2). Ryanair's balance sheet reflected the same prudence that defined its operations. The company held €3.8 billion in cash, maintained investment-grade credit ratings (BBB by both S&P and Fitch), and owned over 300 unencumbered Boeing 737 aircraft (AR2, AR3). Its preference for ownership over leasing provided valuable collateral and flexibility that would soon prove critical.

Ryanair's daily operations mirrored its financial discipline. Aircraft typically flew up to six short-haul legs per day with an average turnaround time of 25 minutes. By prioritising secondary airports such as Charleroi, Bergamo, and Stansted, the company reduced costs and avoided congestion. Every element of its design aimed to minimise expense and maximise utilisation. Inside the organisation, efficiency was not merely a performance target but a shared

mindset. Michael O’Leary, Ryanair’s outspoken chief executive, was known for his sharp focus and intolerance for waste. His leadership style often drew criticism for its bluntness, yet it created a culture where accountability and speed of execution became habits. Decisions were based on data, and cost discipline was treated as both operational necessity and core value.

As 2020 began, confidence within Ryanair’s leadership was high. The company had weathered recessions, fuel crises, and competitive battles in the past, and few doubted its ability to endure further turbulence. With a strong balance sheet, proven business model, and an experienced management team, Ryanair appeared ready for whatever economic challenges might come. Yet no one in Dublin could have imagined that within months, the skies of Europe would close. For a company defined by constant motion, the prospect of stillness was unthinkable.

### 4.3 Norwegian Before the Crisis

While Ryanair represented financial discipline, Norwegian embodied a different kind of ambition built on innovation and expansion. Founded in 1993 and restructured as a low-cost carrier in 2002, Norwegian evolved from a small regional airline into one of Europe’s most visible challengers. Under the leadership of Bjørn Kjos, a former fighter pilot with a dream of making long-haul travel affordable, the company became known for its modern image and bold growth strategy. By 2019, Norwegian had become Europe’s fourth-largest low-cost airline, carrying more than 36 million passengers across 500 routes to 150 destinations worldwide (ARN1, IP1).

Norwegian’s approach departed from the traditional low-cost model. While most competitors concentrated on short-haul routes within Europe, Norwegian expanded across the Atlantic, linking secondary European cities to North America and Asia with a fleet of Boeing 787 Dreamliners (ARN1). Its red-nosed aircraft became instantly recognisable and symbolised a new kind of affordable long-haul travel. The company also embraced digitalisation early, developing modern booking platforms and onboard connectivity that appealed to younger, tech-oriented passengers. For a time, Norwegian’s innovation and sleek branding made it one of Europe’s most admired airlines.

Beneath this success, financial pressure was mounting. Rapid expansion was financed through debt and sale-and-leaseback agreements. By the end of 2019, Norwegian carried nearly €6 billion in interest-bearing debt, one of the heaviest burdens among European carriers (ARN2, IP2). Although annual revenue reached €4.4 billion that year, the company still reported a net loss of around €165 million (ARN2). Rising fuel costs, a weakening Norwegian krone, and the global grounding of Boeing's 737 MAX aircraft squeezed liquidity even further. Managing both short-haul and long-haul operations added to the challenge. Different aircraft types, crew arrangements, and regulatory obligations introduced complexity that undermined efficiency. What had once been an ambitious plan to redefine low-cost travel now revealed structural weaknesses.

In 2019, management launched “#Focus2019,” a programme designed to reduce debt, sell aircraft, and concentrate on core European markets (ARN2). Several long-haul bases in the United States and Spain were closed, and aircraft orders were deferred. The initiative signalled a strategic shift from expansion to consolidation, yet it came too late to rebuild resilience. As 2020 approached, Norwegian remained heavily indebted with limited cash reserves and a business model still reliant on long-haul operations.

Inside the company, optimism had begun to fade. Executives were proud of Norwegian's reputation for innovation, but many recognised that the company's growth had outpaced its capacity to sustain it. The atmosphere had turned cautious as managers faced difficult questions about financing and profitability. Norwegian had built a global brand admired for its ambition, yet that same ambition had become a source of vulnerability. When the pandemic began spreading across Europe, the weaknesses that had long been tolerated as growing pains quickly became existential threats.

#### 4.4 The Collapse of European Aviation

In March 2020, European aviation came to an abrupt halt. Within days, Ryanair grounded around 99 percent of its fleet, operating only limited rescue and essential flights, while Norwegian suspended almost all long-haul services (AR3, ARN2). Revenues disappeared overnight, yet fixed costs such as leases, maintenance, and salaries continued to accumulate.

The crisis left no space for gradual adaptation, and management decisions had to be made in real time, often with incomplete information and constantly changing regulations.

Ryanair's response was immediate and characteristically disciplined. The company rejected state recapitalisation, since equity injections or government ownership clashed with its low-cost model and its criticism of large bailouts for rival carriers. It still used temporary liquidity and payroll support available to all firms, including the UK's 600 million pound Covid Corporate Financing Facility and national wage subsidy schemes, which did not involve state ownership or balance sheet control. Management concentrated on protecting liquidity and preserving operational control. Salaries were cut, non-essential investments suspended, and several bases temporarily closed (AR3). Executives later described those first weeks as a period of daily recalibration, when forecasts were rewritten each morning to keep pace with new restrictions (PR2).

Traffic collapsed by 81 percent in the year to March 2021, falling from 149 million passengers to 27.5 million (AR3, PR2). Despite the scale of the shock, Ryanair remained solvent thanks to its strong liquidity and investment grade access to funding (AR3). The same caution that had once seemed excessive proved to be its greatest strength. By steering clear of large scale state aid, the company preserved strategic flexibility and reinforced its reputation as Europe's most self-reliant airline (PR3).

Norwegian's crisis unfolded with far greater intensity. As international travel collapsed, the company's cash reserves drained within weeks. Passenger revenues fell by 79 percent in 2020, and the group reported a net loss of about 23 billion Norwegian kroner, roughly €2.1 billion (ARN2). Limited government guarantees provided short term relief but came with strict financial conditions. Management began negotiating with lessors and bondholders to convert debt into equity and defer payments (ARN2, IP2). Despite these efforts, liquidity continued to deteriorate.

In December 2020, Norwegian entered bankruptcy protection proceedings in both Ireland and Norway (ARN2, PRN1). The move did not mark the end of the airline but a last attempt to save it through restructuring. Internally, executives described the filing as both "humiliating and necessary", a way to gain time to renegotiate contracts, reduce obligations, and rebuild from a smaller base (ARN2). For employees, the uncertainty was devastating, and about 8000 workers were furloughed or dismissed, as operations were reduced to a minimal network (ARN2).

While Norwegian fought for survival, Ryanair was already preparing for recovery. In September 2020, it issued an €850 million bond to reinforce liquidity, followed by a €1.2 billion five-year unsecured bond in May 2021 (PR3, AR3). In December 2020, it also increased its firm order with Boeing to two hundred ten 737 MAX 8200 aircraft, with the contract repriced to reflect customer-specific credits (PR3, AR3). These moves reflected both confidence in a post-pandemic rebound and a strategic bet that demand would recover faster than most competitors expected (PR3).

By early 2021, the contrast between the two airlines could not have been sharper. Ryanair had preserved its structure and positioned itself for expansion, while Norwegian had entered the most radical transformation in its history (ARN2, AR3). The same shock that grounded Europe's aviation industry exposed the underlying strength of one model and the fragility of another.

#### 4.5 Diverging Paths to Survival

As restrictions began to ease in 2021, Ryanair and Norwegian entered the next phase of the crisis from completely different positions. One faced the challenge of scaling up after survival, the other faced the challenge of rebuilding after collapse. The pandemic had altered Europe's aviation landscape, and both airlines now had to define their role within it.

Ryanair emerged from the worst phase of the crisis with its structure intact and its finances reinforced. Rather than wait for a full recovery, the company used the downturn to strengthen its position. Bases were reopened across southern and eastern Europe, and new agreements were signed with airports seeking to restore traffic (AR4). Many competitors remained cautious, but Ryanair saw opportunity in uncertainty. The company concentrated capacity on short-haul leisure routes, correctly anticipating that holidays and travels to visit friends and relatives would recover more quickly than business trips (SKIFT1).

Passenger volumes rose sharply from 27.5 million in FY2021 to 97.1 million in FY2022 as travel restrictions eased and capacity returned (AR4). Although the company still reported a modest loss of €355 million for the year, the rebound set the stage for a strong recovery. Profit returned in FY2023, reaching about €1.4 billion, supported by robust demand, cost discipline,

and the benefits of its low-cost fleet expansion (AR4, PR3). Liquidity remained solid, backed by earlier bond issuances and the discounted aircraft order that lowered unit costs over time. Inside the company, managers viewed the recovery as validation of their model. The crisis had tested every assumption, and the outcome confirmed that simplicity and discipline could endure even the most extreme conditions.

Norwegian's path was slower and far more painful. After filing for bankruptcy protection, the company embarked on one of the most extensive restructurings in European aviation. Throughout 2021, management worked with creditors, lessors, and the Norwegian government to design a sustainable business plan (ARN3, PRN1). The result was a dramatic reduction of total debt by about 63 billion Norwegian kroner, roughly €6 billion, through debt-to-equity conversions and write-offs (ARN3).

The airline's fleet was reduced from 156 aircraft to 51, and all long-haul operations were permanently discontinued. Norwegian withdrew from intercontinental routes and focused exclusively on short-haul services within Europe, particularly in the Nordic region (ARN3). Thousands of jobs were lost, but the new structure allowed the company to operate sustainably for the first time in years. By mid-2021, Norwegian emerged from court protection as a smaller, debt-free airline with a renewed focus on stability and profitability.

Leadership also changed. Geir Karlsen succeeded Jacob Schram as chief executive and repositioned Norwegian around a "back to basics" philosophy that emphasised punctuality, reliability, and cost control (ARN3, ARN4). The tone of communication shifted from expansion to consistency. The airline no longer aimed to challenge legacy carriers on global routes; instead, it sought to regain credibility through operational excellence. By 2022, Norwegian carried around 18 million passengers and returned to profitability, reporting an operating profit of NOK 1.5 billion (approximately €150 million), its strongest financial result since 2017 (ARN4). The company also began re-engaging with environmental goals. Fuel efficiency improved, and fleet renewal aligned with the objectives of the European Green Deal (IATA4). Norwegian's recovery was cautious but disciplined, grounded in the recognition that growth without stability was unsustainable.

By the end of 2022, Ryanair and Norwegian stood as mirror images of resilience. Ryanair had grown stronger by staying true to its core model, expanding capacity and market share while competitors retreated. Norwegian had survived by dismantling its old structure and rebuilding

around a more modest but stable foundation. Both had returned to profitability, yet they represented different interpretations of endurance. Ryanair proved the strength of consistency, while Norwegian demonstrated the power of reinvention. Together, their recoveries captured two possible paths of survival in an industry transformed by crisis.

## 5. Teaching Notes

### 5.1 Synopsis

This case examines how Ryanair and Norwegian, two major European airlines operating within the same industry and under the same external shock, developed contrasting responses to the COVID-19 crisis. The analysis reveals how their distinct business models and financial structures determined the scope, speed, and nature of their adaptation. Ryanair entered the pandemic with a conservative balance sheet, a simple low-cost model, and significant liquidity. Norwegian entered it with high leverage, short and long-haul networks, and limited cash reserves. When the crisis struck, these structural differences produced opposite outcomes. Ryanair endured by doubling down on its cost discipline and efficiency. Norwegian survived through forced restructuring and strategic reinvention.

The case is designed to help students understand how internal design choices and financial structures shape strategic resilience. It applies several theoretical frameworks: Dynamic Capabilities, Organisational Ambidexterity, Core Capabilities and Rigidities, Stakeholder and Institutional Theory, and Wenzel et al.'s Crisis Response Typology. Together, these frameworks explain how two companies exposed to the same shock produced different trajectories: one based on endurance, the other on reconstruction.

### 5.2 Teaching Objectives

The objectives of this case are to:

1. Examine how business model design and capital structure determine an organisation's ability to respond to crises.
2. Apply established strategic frameworks to real corporate behaviour under crisis.
3. Compare stability-based and transformation-based forms of resilience.
4. Evaluate how managerial cognition, stakeholder management, and organisational culture shape adaptation.
5. Strengthen the connection between theoretical reasoning and empirical interpretation.

### 5.3 Target Audience

This case is intended for master's or executive-level courses in Strategy, Crisis Management, or Corporate Resilience. It can also be used in courses on Dynamic Capabilities or Business Model Innovation to illustrate how structure affects adaptive performance.

### 5.4 Suggested Assignment Questions

1. How did Stakeholder and Institutional pressures affect survival and legitimacy?
2. What different forms of resilience emerged from their experiences?
3. How did Dynamic Capabilities influence Ryanair's and Norwegian's responses to the COVID-19 crisis?
4. How did each company's business model and financial structure condition its crisis response?
5. In what ways did Core Capabilities become Core Rigidities, and with what consequences?
6. How can Wenzel et al.'s Crisis Response Framework explain each firm's trajectory?
7. Which type of Organisational Ambidexterity did each airline demonstrate, and how did it shape results?

### 5.5 Case Analysis and Discussion

### **Question 1 – How did Stakeholder and Institutional pressures affect survival and legitimacy?**

Ryanair relied on a strategy of independence that reflected both its economic resilience and its longstanding market identity. It opposed state recapitalisation for national carriers, claiming that such interventions distorted competition in the single market. This resistance to coercive institutional pressure reinforced its image as a commercially disciplined and self-sufficient operator. For investors, this stance signalled managerial competence and financial confidence, enhancing pragmatic legitimacy. However, the same position strained relationships with unions and regulators, who viewed the company as combative during a collective industry crisis. Ryanair therefore sustained legitimacy through performance credibility rather than social conformity. Its stakeholder approach remained transactional, based on results and efficiency rather than alignment with external expectations.

Norwegian adopted the opposite strategy. Weakened by debt and dependent on liquidity support, it pursued legitimacy through cooperation and alignment. The airline engaged actively with bondholders, lessors, and the Norwegian government to negotiate debt-for-equity conversions and obtain limited state guarantees. These actions reflected compliance with both coercive and normative institutional pressures. They also helped rebuild trust among stakeholders by signalling transparency, accountability, and willingness to adapt. Norwegian's legitimacy thus stemmed from relational engagement rather than autonomy. By aligning with institutional and societal expectations, it secured the credibility required to restructure and survive.

In sum, Ryanair's independence reinforced legitimacy through strength, while Norwegian's collaboration rebuilt it through conformity. Both strategies proved effective within their respective constraints. The contrast shows that legitimacy under crisis can arise from very different sources: for strong firms, from credibility grounded in self-reliance, and for vulnerable ones, from trust grounded in institutional cooperation.

### **Question 2 – What different forms of resilience emerged from their experiences?**

Ryanair displayed fortified resilience, built on stability and preparation. Its simplicity, strong liquidity, and disciplined cost structure created a defensive system that absorbed the impact of

the crisis without altering the company's core model. The airline's strategy relied on anticipation rather than adaptation. Financial prudence and operational control served as protective mechanisms, allowing the firm to maintain coherence while others restructured. Because the business model was inherently resistant to disruption, recovery required only incremental innovation, such as fleet renewal and digital upgrades. Ryanair's resilience stemmed from prevention, where the capacity to withstand turbulence was engineered long before the crisis began.

Norwegian, in contrast, demonstrated reconstructive resilience, achieved through transformation rather than continuity. Its high leverage and complex long-haul strategy left it with no choice but to rebuild. Bankruptcy protection and restructuring dismantled much of the company's previous configuration, yet this collapse became the basis for renewal. The result was a smaller and more focused airline, debt-free and strategically aligned with its operational capabilities. Norwegian's resilience was therefore dynamic, emerging through the painful process of simplification and realignment. The firm's survival depended on the willingness to abandon its past strengths and redefine its future direction.

Together, these trajectories confirm that resilience is not a single condition, but a pattern shaped by internal design and environmental pressure. Ryanair's financial conservatism produced resistance, while Norwegian's transformation produced regeneration. The contrast shows that the form resilience takes depends on whether a company meets crisis with preparedness or reinvention, and that both paths, when effectively managed, can secure survival and renewal in different ways.

### **Question 3 – How did Dynamic Capabilities influence Ryanair's and Norwegian's responses to the COVID-19 crisis?**

Dynamic capabilities shaped the two airlines in sharply different ways because only one of them entered the crisis with the organisational conditions needed to use them effectively. In Ryanair's case, the ability to sense, seize, and transform was already embedded in its routines. When travel restrictions began, the company identified very early that the real threat was liquidity rather than operational disruption. This awareness reflected a culture where financial exposure is monitored continuously and where managers are trained to recognise small shifts

in risk before they escalate. With this clarity, the organisation moved quickly to preserve cash, negotiate cost reductions, and reinforce liquidity through bond issuance. These were not creative responses but disciplined extensions of routines that already governed decision making. At the same time, Ryanair looked beyond day-to-day survival by securing favourable airport terms, accelerating digital improvements, and repricing its MAX aircraft order at a significant discount. These moves show that sensing, seizing, and transforming aligned naturally because the company had the internal discipline, financial stability, and organisational coherence required to activate dynamic capabilities under pressure.

Norwegian's experience reveals the opposite pattern. The airline recognised the severity of the crisis, yet the structure of the organisation prevented this recognition from becoming a proactive strategy. Its heavy debt burden, exposure to long-haul markets, and dependence on multiple aircraft types left almost no room to act on emerging signals. Managerial attention was absorbed by immediate liquidity concerns, and each potential decision required approval from creditors, lessors, or government authorities. The steps that followed, including loan guarantees, lease deferrals, and debt negotiations, were necessary for short-term survival but did not reflect dynamic capabilities in the strategic sense. Real change only became possible once Norwegian entered bankruptcy protection, which allowed it to abandon long-haul operations, reduce its fleet, and remove a significant portion of its debt. These were transformative outcomes, but they occurred because the previous structure collapsed rather than because the organisation proactively reconfigured itself.

In comparing the two airlines, the crisis revealed that dynamic capabilities depend on far more than managerial intention. They require financial slack, organisational discipline, and the ability to commit resources without external constraint. Ryanair possessed these conditions, which allowed it to use the crisis to reinforce and extend its model. Norwegian did not, which meant that adaptation only became possible once the company's constraints were lifted through legal restructuring. Both firms changed, but only one did so through dynamic capabilities.

**Question 4 – How did each company's business model and financial structure condition its crisis response?**

Each airline's business model and financial structure shaped the degree of freedom management had when responding to the shock. Ryanair entered the crisis with a model that already favoured flexibility. Its point-to-point short-haul network meant that suspending flights did not unravel a broader connecting system, and its low leverage allowed decisions to be taken internally rather than negotiated with outside parties. This autonomy made a tangible difference. Ryanair could implement immediate cost controls, negotiate airport concessions on its own timetable, and later commit to discounted aircraft purchases when the opportunity arose. These choices reflected a business model that preserved strategic discretion even under extreme uncertainty.

Norwegian faced a narrower set of options. Its long-haul and short-haul operations were interdependent, so the collapse in international travel disrupted the entire organisation. At the same time, its heavy debt load meant that almost every decision, from lease deferrals to route reductions, depended on creditor and government agreement. As the crisis deepened, the restructuring process itself became the space in which strategic choices had to be made, including the decision to abandon long-haul operations and reduce the fleet. Management was still making deliberate choices, but the financial structure determined which options were feasible and which required external approval.

This contrast becomes even more visible when their underlying strengths and weaknesses are compared directly. Ryanair's strengths in liquidity, cost control, and operational simplicity widened the corridor of actions available to managers, while Norwegian's structural weaknesses, particularly its leverage and dual-market complexity, compressed it. The crisis revealed that business models and capital structures do not just influence performance. They shape the strategic room to manoeuvre when conditions collapse, determining how much control a firm retains over its own path.

Category	Ryanair	Norwegian
Strengths	Low-cost structure, strong liquidity, operational efficiency.	Brand reputation, young fleet, transatlantic market presence.
Weaknesses	Dependence on short-haul Europe, labour disputes risk.	High debt, low liquidity, complex dual model.
Opportunities	Market consolidation, aircraft modernisation.	Growth in long-haul demand, digital integration.
Threats	Regulatory changes, fuel volatility.	Fuel volatility, credit risk, and sudden demand shocks.

Table 1 – SWOT Analysis of Ryanair and Norwegian (2020–2022)

**Question 5 – In what ways did Core Capabilities become Core Rigidities, and with what consequences?**

Leonard-Barton’s framework helps explain why the same kinds of strengths enabled Ryanair to act effectively during the crisis but restricted Norwegian. Core capabilities reflect a firm’s routines, systems, and values, and they become rigidities when the environment changes in ways those routines cannot accommodate. For Ryanair, the crisis fit the organisation’s existing capability system rather than exposing its limits. A single aircraft type, tightly standardised processes, and a culture built around frugality and control allowed managers to cut activity quickly, preserve liquidity, and negotiate new agreements with airports and suppliers. What could have become rigidity in a different context instead supported fast, coordinated action because the disruption rewarded the attributes Ryanair had already embedded in its model.

Norwegian faced the opposite dynamic. Its capabilities had been developed for growth, long-haul expansion, and operational complexity, which worked in a period of rising demand but became liabilities once the market collapsed. A mixed fleet, geographically dispersed operations, and routines geared toward scaling made it difficult to retrench at the pace the crisis required. Cultural attachment to intercontinental routes further delayed acceptance that the long-haul strategy was no longer viable. What had once differentiated Norwegian now

constrained it, and the capability system had to be dismantled through restructuring before the company could regain stability.

The contrast shows that capabilities turn into rigidities not because they are poorly designed, but because they no longer match the environment. Ryanair's system happened to align with the conditions created by the pandemic, while Norwegian's no longer fit and had to be broken apart before the firm could move forward.

### **Question 6 – How can Wenzel et al.'s Crisis Response Framework explain each firm's trajectory?**

Wenzel et al. (2020) identify four core responses to organisational crisis: retrenchment, perseverance, innovation, and exit. The sequence and combination of these responses reveal how firms balance short-term survival with long-term renewal. The contrasting trajectories of Ryanair and Norwegian during the COVID-19 crisis show how financial structure and strategic discipline shape which responses are feasible and in what order they occur.

Ryanair followed a sequential pattern of retrenchment, perseverance, and innovation. At the onset of the pandemic, management prioritised retrenchment through immediate cost reduction, grounding of most of the fleet, and suspension of discretionary spending to protect liquidity. Once financial stability was secured, the company entered a phase of perseverance, maintaining its organisational architecture and retaining core personnel to remain operationally ready for recovery. As restrictions eased, Ryanair advanced into innovation, expanding its fleet, renegotiating airport contracts under favourable conditions, and investing in digital and customer service improvements. This staged progression reflected a position of structural strength. Entering the crisis with high liquidity and minimal leverage gave Ryanair the freedom to withstand inactivity without dismantling its core model. The crisis thus reinforced a strategic principle embedded in its culture: disciplined cost management is the foundation of adaptive capacity.

Norwegian's trajectory contrasted sharply. Its sequence moved through retrenchment, exit, and finally innovation. Initial efforts focused on cost reduction, fleet grounding, and deferred payments. However, financial fragility and accumulated debt made perseverance unsustainable. The airline was forced into bankruptcy protection, effectively marking an exit from its previous

long-haul business model. Only after restructuring and debt conversion could Norwegian pursue innovation by rebuilding itself as a smaller, short-haul-focused carrier. For Norwegian, survival required transformation rather than endurance. The crisis exposed the limits of perseverance in a leveraged system and demonstrated that, under extreme constraint, exit can become the necessary precursor to renewal.

Together, these trajectories illustrate that crisis response is conditioned by prior strategic design, and that resilience depends on structural preparedness and the sequence of adaptive moves. To show this more concretely, Table 2 maps both airlines onto the four responses identified by Wenzel et al., using the same dimensions to expose where their strategies converged and where they split.

<b>Response</b>	<b>Ryanair</b>	<b>Norwegian</b>	<b>Strategic Outcome</b>
Retrenchment	Wage cuts, base closures	Fleet grounding, layoffs	Immediate liquidity preservation
Perseverance	Retained short-haul operations	Maintained minimal domestic routes	Ensured operational continuity
Innovation	Opportunistic fleet expansion (MAX order)	Strategic restructuring into regional carrier	Post-crisis strategic renewal
Exit	None	Abandoned long-haul flights	Structural simplification and survival

Table 2 – Comparative Mapping of Ryanair and Norwegian’s Strategic Responses to the COVID-19 Crisis  
(adapted from Wenzel et al., 2020)

**Question 7 – Which type of Organisational Ambidexterity did each airline demonstrate, and how did it shape results?**

Ryanair operated through contextual ambidexterity, blending exploration and exploitation inside one coherent organisational system. Its decentralised but tightly managed structure gave local teams room to act quickly with data, while still keeping them within firm boundaries on cost and operations. This combination protected efficiency while allowing practical flexibility, such as shifting routes, reallocating capacity, or securing opportunistic airport deals. A culture built around accountability, supported by Michael O’Leary’s direct leadership style, kept the organisation aligned without shutting down initiative. Ambidexterity was not created through formal dual structures. It was simply part of how Ryanair worked every day, which helped the airline stay both stable and agile when the crisis hit.

Norwegian followed a structurally ambidextrous model before the pandemic, separating its short-haul and long-haul operations to balance discipline with innovation. Once demand collapsed, this separation turned into a constraint. Resources were divided, managerial attention was scattered, and the long-haul division absorbed cash at a rate the company could no longer sustain. Bankruptcy protection forced Norwegian to dismantle this dual system and rebuild the business around its short-haul core. The shift marked a move from ambidexterity to a more sequential form of adaptation, with retrenchment coming first and recovery only becoming possible later. Under heavy financial pressure, exploration was no longer viable, and focus replaced diversification as the basis for survival.

Taken together, the comparison shows two very different outcomes. Ryanair’s contextual ambidexterity created flexibility within a disciplined structure, turning the crisis into a test it was equipped to handle. Norwegian’s structural form, which once supported growth, fragmented decision making and fell apart under stress. The lesson is that effective ambidexterity depends less on maintaining separate organisational units and more on the ability to combine discipline and adaptability within a system that holds together when conditions deteriorate.

## 5.6 Key Takeaways

- Financial structure determines strategic freedom in crises. Liquidity enables choice, whereas leverage enforces constraint.

- Business model simplicity can produce speed and coherence, while complexity amplifies vulnerability.
- Dynamic capabilities are effective only when supported by organisational discipline.
- Ambidexterity collapses under financial strain unless it is embedded contextually.
- Stakeholder alignment and legitimacy strategies must fit the firm's financial position.
- Core strengths can become liabilities if managers fail to adapt them to new conditions.
- Resilience takes different forms: resistance through discipline or reinvention through simplification.

## 6. Limitations and Conclusion

The pandemic was more than an external shock to the airline industry: it was a mirror that revealed how deeply a company's identity shapes its capacity to endure crisis. Through the cases of Ryanair and Norwegian, this dissertation has shown that resilience takes many forms, depending on the structures, beliefs, and choices that define an organisation long before a crisis begins.

Ryanair's experience showed that stability itself can be a form of strength. Its discipline, cost focus, and financial prudence, often criticised as rigid, became the very reasons it could withstand the collapse of global travel. The company did not need to reinvent itself; it simply stayed true to what it already did best. In doing so, Ryanair reminded us that resilience can also mean having the clarity to hold steady when everything around is changing.

Norwegian, on the other hand, faced the crisis from the opposite direction. Years of expansion and heavy debt had left little space to manoeuvre when demand vanished. Yet in losing almost everything, the airline found a sense of purpose. By simplifying its structure, rebuilding trust, and redefining its goals, Norwegian turned collapse into renewal. Its story shows that sometimes resilience is not about resistance, but about accepting loss, learning from it, and rebuilding on stronger foundations.

Taken together, these cases suggest that there is no single way to be resilient. What matters is coherence: the alignment between who a company is and how it chooses to respond when the ground shifts beneath it. Ryanair's independence and Norwegian's cooperation both worked

because they made sense within each company's culture and reality. Leadership was essential in holding that coherence together: Michael O'Leary's defiance reinforced Ryanair's self-reliance, while Geir Karlsen's calm pragmatism helped Norwegian regain trust and stability.

Even with these insights, some limitations need to be recognised. This study relies on secondary data, which provides a rich but external view of each airline's decisions. The inner workings of leadership dynamics, team discussions, and informal trade-offs remain unseen. Focusing only on European low-cost carriers also means that the lessons drawn here may not apply to full-service or state-owned airlines that faced different pressures. Therefore, future research could build on these findings through direct interviews with executives or a comparative analysis across different regions and business models. It could also test whether the two forms of resilience identified here: stability through discipline and renewal through simplification, can be observed in other industries dealing with similar systemic shocks.

The theories that frame this dissertation, from dynamic capabilities to ambidexterity and stakeholder alignment, help make sense of these differences. Yet they also point to something more intuitive: resilience is not just a framework or a checklist, it is a mindset. It develops quietly in stable times, shaped by values, habits, and the willingness to learn. When crisis comes, it surfaces not as a sudden reaction but as the natural expression of what the organisation already is.

In the end, Ryanair and Norwegian offer two versions of the same truth. One shows the strength of consistency, the other the courage of reinvention. Both prove that resilience is not only about surviving turbulence but about remaining true to purpose while navigating through it. In a world where crises are becoming recurring tests, perhaps the greatest strategic advantage any company can build is precisely that: a clear sense of identity, the quiet confidence to know when to stay the course, and the wisdom to know when it is time to change.

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