

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

The cabin crew is the image and representative of an airline company. They play an important role in gaining and building the company's image, especially in a competitive market, as good service provided by the cabin crew is reflected in revenues and loyal customers. All airlines need to standardize their service to compete with their competitors. Thai Airways International (THAI) is now in a marketing war in the economic crisis. It is implementing many business plans to remain one of the top airlines in the world, with the cabin crew being a key factor. According to Skytrax, the airline evaluation organization, THAI presently has a 4-star product and service quality and it aims to be a 5-star airline in the near future. Thus, THAI needs to be more aware of the quality of service and the cabin crew's competency.

Additionally, the cabin crew's responsibilities are concerned with safety and assisting passengers throughout the flight. Their service duties include preparing and serving food and beverages, comforting the passengers and making the flight smooth (Baron, 2010).

Because of the job privileges, the opportunities to travel, the non-routine nature of the job, and the chances to broaden experience, the idea of working as a cabin crewmember inspires many new graduates to apply for this job. However, after they have been working for a while, their ideas or expectations may change. For example, advancing age and feelings of burnout may lead them to consider resignation.

Thai Airways has been affected by the economic downturn, the troubled political situation and the swine flu. For instance, "Thai Airways said ... that the airline had lost about US\$560 million (S\$856.7 million) because of the protest blockades at Bangkok's two main airports..." (AFP, 2008). According to ABC News on February 28, 2009, Thai Airways had lost more than \$900 million, which was the first annual loss in 43 years.

To cope with this situation, THAI has launched many strategies, such as cutting the budget of the cabin crew department. This makes their job more difficult

as they do the same hard work but are paid less with fewer benefits. The factor that keeps cabin crew from resigning is loyalty.

Loyalty represents a faithful adherence to a sovereign, government, leader or cause. Also, it signifies a person's devotion or sentiment of attachment to a particular object. Without, loyalty, strong relationships and efficiency will never be built.

Companies that are concerned about employee loyalty encourage resources to be used efficiently, since "organizational commitment is identification with an interest in the overall effectiveness and success of the organization" (Young, Worchel, and Woehr; Public Personnel Management, Vol. 27, 1998).

Thai Airways International Public Company Limited is a state enterprise company and the national carrier of Thailand. It is a large-scale transportation organization that has been operating for almost 50 years. However, the company mandate stipulates that THAI will create a suitable working environment and offer appropriate salaries and wages as an incentive for staff to learn and work to the fullest of their potential and to take pride in their contribution to the company's success (<http://www.thaiairways.com/about-thai/company-profile/en/history.htm>).

The objective of this research is to find out the level of cabin crew loyalty of THAI. Also, the study will look for the reasons for job satisfaction and dissatisfaction. Moreover, this study will seek information about the happiness of the cabin crew and their feelings about their work. The information can be used as a tool to increase cabin crew loyalty at Thai Airways.

1.2 STATEMENT OF THE PROBLEM

This study aims to answer the following questions:

1.2.1 To what extent do the cabin crew commit themselves to their work at Thai Airways International Public Company Limited?

1.2.2 What is the staff's expectation about what they can gain from the company to improve the level of company loyalty?

1.3 OBJECTIVES OF THE STUDY

The objectives of this study are the following:

1.3.1 Main Objective

To measure the level of loyalty of the current cabin crew.

1.3.2 Sub-Objectives

1. To survey the feelings of the cabin crew toward working problems.
2. To understand the attitude of cabin crew toward the company's policies.
3. To measure the level of satisfaction with the compensation and benefits.

1.4 DEFINITION OF TERMS/VARIABLES AND DEFINITIONS

1.4.1 Variables of the Study

The independent variables of the study are demographic profiles and the individual factors: gender, age, marital status, educational background, income, length of employment, and position, while the dependent variables is loyalty

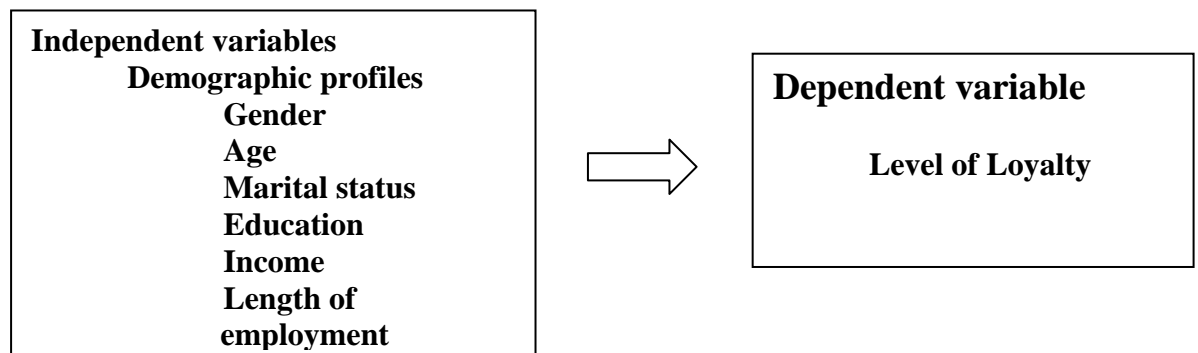


Figure 1. The relationship between the independent variables and dependent variable

1.4.2 Definitions of terms are shown as follows:

Cabin crew means one who is employed by THAI to work on board.

Loyalty refers to the degree that crewmembers are satisfied with their job and the company, and plan to remain with THAI.

Length of employent represents the number of years a crewmember has worked for THAI.

Working position indicates the level of position a crewmember has attained. There are three categories of positions: regional business class, European destinations crew, first class crew, air purser, and in-flight manager.

1.5 SCOPE OF THE STUDY

The subjects of the study were limited to cabin crew who had been with the company for five years or more. The subjects were both male and female Thai crewmembers; foreign cabin crew were not included in the study.

1.6 SIGNIFICANCE OF THE STUDY

The findings of the study will signify the level of loyalty of THAI cabin crew at the moment. After the results have been reviewed, they will provide useful information to the management for understanding the current situation of their employees' feelings toward company policies. Thus, the management can improve and adjust their strategies to strengthen the organizational commitment level among their cabin crew. Also, the research results might help others who are interested in creating organizational loyalty in their organization.

1.7 ORGANIZATION OF THE STUDY

The study of cabin crew loyalty of Thai Airways is divided into five chapters: introduction, review of literature, methodology, results, and conclusion, discussion and recommendations.

Chapter One includes the background of the study, the relationships of cabin crew and their loyalty. Also, the first chapter contains the definition of variables, statement of problems, objectives of the study, scope of the study, and significance of the study.

Chapter Two contains the review of literature on the topic of employee loyalty and theories of job satisfaction and motivation. It also discusses hierarchy of needs, the concept of individual differences, and relevant studies.

Chapter Three consists of the methodology of the study, how the research was conducted, the information of the subjects, materials procedures and the method of data analysis.

Chapter Four presents the results of the study in tables and analysis of the data.

Lastly, the conclusion, discussion, and recommendation for further study are contained in Chapter five.