The post pandemic air transport competitive advantages: new normal challenges of strategic human resource management (the case study of Bangkok Airways)

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Abstract. The epidemic clearly proven that every industry of the economy should never undervalue external environment. Every business needs to be flexible and adaptable without losing sight of their primary objective of profitability. Whereas, internal organizational management needs to be strategically focused. In consequent, an effective management of human resources is essential to enhancing business operations. The air transport industry is particularly sensitive to environmental fluctuations. Therefore, this study emphasizes strategic human resource management to strengthen Thailand's aviation industry's competitive advantage characteristics in the modern period of the new normal culture. The data were collected by using a number of sample questionnaires, which collected from a ground staff employee of Bangkok Airways. In order to evaluate Bangkok Airways' level of human resource management and level of competitive advantage, the sample group of employees was divided into two groups. There are 585 persons in total between the first group of 310 employees as officer level and the second group of 275 supervisors and manager’s level. According to the research findings, in terms of factors influencing competitive advantage in strategic human resource management, Strategic Alignment (SA) is the most crucial element to be implemented. Keywords: Strategic Human Resource Management, Thailand, Aviation Industry.

1 Introduction

Since COVID-19 epidemic, many countries have to shut down the country in order to stop the spread of any disease that might be spread via a contaminated surface to the eyes, nose, or mouth, and in any circumstances. Infected persons are mostly contagious for about 10 – 15 days, and can transmit the virus even if they do not develop symptoms. People stopped going abroad, which had a negative impact on the aviation sector. Several countries have to provide preventive measures include social distancing, wearing masks, improving ventilation and air filtration, and quarantining those who have been exposed or are
symptomatic, also for public areas were partially or fully closed in many jurisdictions, and many events were cancelled or postponed. The manner that many companies and educational institutions conduct learning, training, seminars, and meetings must adapt in order to use an online system for instruction. To eliminate interpersonal touch, even financial institutions and financial transactions must be processed electronically.

The air transport industry is highly vulnerable to environmental changes as was seen when the recent COVID-19 pandemic caused most airline operations to cease (Kankaew, 2022). Trading and commercial both domestically and internationally has faced a supply shortage including food shortages which affected from a supply chain disruption driver by COVID-19 epidemic around the world. The air transportation definitely has been affected, major airline employment suffers from an uncertainty crisis, this outcome can be explained by the significant financial exposure of major airlines as well as their higher payroll responsibilities and the decline is maintained throughout the subsequent two years. Due to their rigid business models, major airlines are more severely affected by destructive blazes than low-cost carriers (Neal & Kassens-Noor, 2011; Ushakov et al., 2021).

As for Thai Airways, it has also stopped taking international flights. Yet, domestic flights were still active as the number of passengers was still moderate. Passengers will increase when the pandemic starts to decline, depending on the state. If a new species breakout happens, there will be fewer travelers. The airline must comply with the regulations of the Civil Aviation Authority (CAAT), which has established measures in accordance with the recommendations of the Department of Disease Control Ministry of Health, the World Health Organization (World Health Organization), and the International Civil Aviation Organization (ICAO: International Civil Aviation Organization) on strict surveillance measures against the coronavirus disease 2019 (COVID-19).

Nonetheless, air transport in Thailand experienced sharp declined in 2021. The number of passengers and aircraft movements both fell by 45.72% and 65.27%, respectively as shown in tab. 1.

Table 1. AOT Air Traffic Year 2021 (Adapted from AOT 2021 Annual Report, Airports of Thailand Public Company Limited).

<table>
<thead>
<tr>
<th>Airport</th>
<th>International</th>
<th>% Change</th>
<th>Domestic</th>
<th>% Change</th>
<th>Total</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don Mueang</td>
<td>3,185</td>
<td>-84.83%</td>
<td>48,692</td>
<td>-56.63%</td>
<td>51,877</td>
<td>-61.07%</td>
</tr>
<tr>
<td>Chiang Mai</td>
<td>57</td>
<td>-98.70%</td>
<td>15,994</td>
<td>-54.38%</td>
<td>16,051</td>
<td>-59.32%</td>
</tr>
<tr>
<td>Hat Yai</td>
<td>15</td>
<td>-96.35%</td>
<td>10,135</td>
<td>-44.88%</td>
<td>10,150</td>
<td>-46.00%</td>
</tr>
<tr>
<td>Phuket</td>
<td>4,177</td>
<td>-68.70%</td>
<td>14,347</td>
<td>-43.75%</td>
<td>18,524</td>
<td>-52.32%</td>
</tr>
<tr>
<td>Chiang Rai</td>
<td>-</td>
<td>-100.00%</td>
<td>6,131</td>
<td>-47.71%</td>
<td>6,131</td>
<td>-49.44%</td>
</tr>
<tr>
<td>Total</td>
<td>75,431</td>
<td>42.97%</td>
<td>139,031</td>
<td>47.11%</td>
<td>214,462</td>
<td>45.72%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Passenger Volume (Persons)</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Suvarnabhumi</td>
<td>1,313,666</td>
<td>-86.69%</td>
<td>4,350,967</td>
<td>-36.34%</td>
<td>5,664,633</td>
<td>-66.09%</td>
</tr>
<tr>
<td>Don Mueang</td>
<td>13,855</td>
<td>-99.49%</td>
<td>5,045,193</td>
<td>-61.31%</td>
<td>5,059,048</td>
<td>-67.91%</td>
</tr>
<tr>
<td>Chiang Mai</td>
<td>1,462</td>
<td>-99.70%</td>
<td>1,761,270</td>
<td>-59.65%</td>
<td>1,762,732</td>
<td>-63.67%</td>
</tr>
<tr>
<td>Hat Yai</td>
<td>177</td>
<td>-99.57%</td>
<td>1,209,678</td>
<td>-48.09%</td>
<td>1,209,855</td>
<td>-48.98%</td>
</tr>
<tr>
<td>Phuket</td>
<td>287,481</td>
<td>-87.67%</td>
<td>1,502,357</td>
<td>-51.50%</td>
<td>1,789,838</td>
<td>-67.04%</td>
</tr>
<tr>
<td>Chiang Rai</td>
<td>-</td>
<td>-100.00%</td>
<td>710,408</td>
<td>-51.90%</td>
<td>710,108</td>
<td>-53.06%</td>
</tr>
<tr>
<td>Total</td>
<td>1,616,641</td>
<td>-89.57%</td>
<td>14,579,873</td>
<td>-53.19%</td>
<td>16,196,514</td>
<td>-65.27%</td>
</tr>
</tbody>
</table>


Those safety measures include but are not limited to aircraft spraying, sterilization, cleaning, and disinfecting according to standards, equipping the aircraft with the most efficient HEPA air filter that can trap dust particles or bacteria. Most importantly,
passengers must wear masks at all times when entering the terminal area and on the plane throughout the journey. The airline may deny passengers' travel if they do not wear masks. Passengers are also required to check in an hour earlier than usual. If a passenger has a body temperature higher than 37.3 degrees Celsius or has a cough, has difficulty breathing, or is in the scope of immunological surveillance, the airline may also deny that passenger's travel.

The airline had to close check-in counters 45 minutes before scheduled departure and mark a safe distance from the check-in point in the bus area and jetty aircraft ladder. In addition, separate seats must be arranged for passengers on the plane on every flight. Serving food and beverages during the flight was not provided and passengers were not allowed to bring food and beverages to eat on board. They were required to fill out a health form which was distributed before traveling at the boarding gate on each flight. For airline crews, they must have their body temperature checked before the flight. They will also need to wear a mask and gloves throughout the service and after the flight. The inside of the aircraft must be cleaned and disinfected every time. All the above-mentioned approaches are considered a new way (new normal) of traveling by aircraft which most airlines have to adjust themselves to all changes that has been occurred.

Until the end of 2021, the spread of Covid-19 has been relieved and people get 3-4 times vaccinations, bringing the aviation industry back in business. However, this time the airlines must provide services in a “new normal” way by considering the health and safety of passengers and taking hygiene measures such as wearing masks. At the same time, the world is becoming a “Touchless Society” where all activities are operated by electronics systems, through internet or application.

This helps people live and work without having physical contact. The cost of meeting the increased hygiene standards must be covered by the airlines, who must also make an effort to operate with fewer passengers. To draw customers to their services, Thai airlines must therefore develop a novel marketing plan that has never been employed before. To meet their unique aims, the strategy must also be continuously updated in light of domestic and global competition. They might plan marketing activities to boost demand and the quality of their offerings, which could help strengthen the relationship between travelers and airlines.

Many airlines decide to utilize advertising and public relations to build a positive perception of themselves, boost their long-term business values, and link their marketing strategy with those of other companies. Another crucial aspect to take into account is the service staff. Some airlines use AI systems to allow passengers operate equipment on their own or try to cut back on the number of ground employees and call center employees in order to improve service both on the ground and on board. However, if AI is used in place of people, they might encounter various challenges or constraints.

Due to the fact that passengers would be traveling with "social distance," research into strategic human resource management and technological advancement should be conducted to raise an advantage in the challenges following the COVID-19 pandemic. Thailand's aviation industry will continue growing sustainably as a result. This research focusing on Bangkok Airways as it has been operating for more than 60 years and is flying both domestically and internationally. In consequently, once Bangkok Airways maintaining business continuity, strategic human resource management can be utilized to gain a competitive advantage and produce value for customers in the new normal correspondingly.

Objectives
To study the level of competitive advantage factors of Thailand aviation industry in new normal culture after the Covid-19 pandemic crisis.

2 Literature Review
2.1 Strategic Human Resource Management

Allen (2006) has studied Strategic Human Resource Management and Firm Performance: What can We Learn from Small Business to investigate models as follows 1). a human resource management system to be sought 2).to investigate the connection between human resource management and performance; and 3).to investigate the factors within human resource management that influence employees’ performance. The findings demonstrated that human resource management elements had a significant potential to affect small enterprises' performance in the US is Executives' qualifications, including those of the President, Human Resources Executives and business leaders. Hence, Business strategies has a significant impact on human resource management and effectiveness.

Lovell (2009) studied Strategic Resource Management: What does it mean in Practice? Survey Research Model Case Study: Big Business in Australia by collecting data from the interview and questionnaires together in reviewing relevant literature. The objective is to develop a human resource management model that is based on best practice and consistent with resource-based theory and situational theory. The results showed that there are two models of strategic human resource management that will lead to a high level of performance and a competitive advantage. The first model uses situational theory to apply strategic human resource management by analyzing relevant environmental parameters and benchmarking them against competitors to formulate policies, rules, and human resource plans in order to integrate and synchronize with the organization's strategy. The second model is human resource management based on the concept of resource-based theory by organizing the resources available in the organization to create value that is unique, hard to find, and inimitable. This is crucial for developing competitive advantages and needs to be compatible with the organization's strategy.

Armstrong (2015) studied the integration strategy of human resource management (ISHRM) and strategic alignment (SA) in human resource management, which encompasses two dimensions as integration and transformation.

The first dimension relates to how well the organization's human resource management system fits inside itself, while the second component places emphasis on preserving harmony through employee obligations. In order to support human resource operations such as planning, hiring, development, and training, as well as performance and remuneration systems and disciplinary action, the human resource management system must also contain an information system. According to Noe et al (2012), an HRIS is a comprehensive system for gathering data, including payroll, profit, and leave data as well as various administrative information, like a necessary training and development program in addition to an adequate level of employment or various skills of employee, are the most effective information to facilitate team effectiveness.

Moreover, Gannon, J. M., Doherty, L. & Roper, A. (2012) said system that tracks the skills and experiences of every employee is crucial as the management can monitor and evaluate employees’ development faster, accurately and to anticipate career success more efficiently. An effective planning decision that organized by the automated system will help top management to find out employee’s data in a short time which allows the organization to select the right person for the right job for the right time. This system will support personnel selection, manage and maintain a complete information system for personnel also create activities that encourage personnel to develop creativity and operational skills.

Another system that gathers vital information and is required for management and operational planning is an executive management information system (EMIS). The main goal is to gather information in a manner, reduce data duplication, and connect to organizational strategies and databases already in place. The collected data can then be kept and shown in various forms which can be analyzed to produce useful information in order to support efficient management planning and decision-making respectively (Laudon &
Laudon, 2002).

Whereas, the learning information system (LIS), which the organization must deploy, is also included in the strategic human resource management system and is divided into four levels as follows: The first level is for operational-level systems. The second level of the system is the Knowledge-level system. The third level is for management-level systems. Finally, the fourth level, which is strategic-level systems.

The Balanced Scorecard (BSC) was put forth by Kaplan & Norton (2004) as a notion for organizational success for competitive advantage and as a tool for transforming strategies and missions. A set of performance indicators known as strategy forms the foundation of a comprehensive strategic management and evaluation system and are used to determine how well a business is performing in all pertinent areas, including finances, clients, internal operations, and organizational learning and growth.

1) A financial perspective, in light of the fact that the financial perspective will serve as an indicator of the strategy that has been established, it is crucial to consider this perspective when evaluating the performance of a for-profit company. Moreover, to implementing strategies into practice causing a positive effect on the operation of the organization under the financial strategy There are important components which are 1) increase in income; 2) decrease in cost.

2). Customer Perspective, in any business management, customers is the main focus. The business will continue because customers buy the company's products, it is necessary to meet the needs of customers to their utmost level of satisfaction. Consequently, the following are the important metrics for determining a business's success: customer loyalty to the brand includes the following five metrics: Market share, customer retention, new customer acquisition, customer satisfaction, and profit per customer.

3). Internal process perspective, is the development of work processes to create value for the organization's consumers in contrast to the traditional evaluation that focuses on advantages for controlling. One of its principles is that all commercial endeavors serve its customers. Additionally, a poor internal operation could make customers lose faith in the company. It's possible that future profits may be less. Businesses must therefore modify their internal procedures to satisfy client needs while deciding how to use it to maintain the lowest cost. It is not a for-profit business but aims to increase customer satisfaction further with service. The most significant activities are:

3.1). Transportation-related activities which connected to the movement of raw materials, their storage, and other production aspects.

3.2) Transforming related activities, which involved in transforming or processing different raw materials into products.

3.3). Collection-related activities, which is related to the distribution of completed goods and services and their collection.

3.4). Activities influencing and motivating customers to use the company's products and services, including post-purchase service.

4). Learning and Growth Perspective, is the perspective that is essential to the future of the organization. And without this view, it will not be able to achieve the objectives under the other viewpoints above. It evaluates the core principles of the first three viewpoints, which involve investment for the future. Instead of concentrating on short-term outcomes, it is advantageous to the organization in the long run. Employee competence, information system capabilities, and a work-friendly environment are the three sub-components employed in the measurement.

2.2 Human Capital Development

Human capital development (HCD) refers to how an organization's employees grow in
relation to its intellectual capital, which includes the fundamental abilities required for teamwork, technological proficiency, and knowledge and comprehension of organizational systems in relation to previously acquired organizational capabilities (Holland & Shuhan, 2007).

Human capital development could be conducted via training system, mentoring system or educational system to empower employee capability to perform their job effectively whether individual level, team level or organizational level. In helping people to have skills, Dessler Gary (2009) said knowledge and ability on the job, the organization must help develop employees in every department that they are working.

Employee development is related to their work, it creates opportunities for employee career growth and self-development. Managers should assess needs and plan developments in a rapidly changing era to prevent shortages of high talent. Organization management may use information technology to help analyze new skills and then allow employees and managers to work together in development planning by focusing on 5 dimensions as follows: (1) skill dimension (2) training method dimension (3) planning dimension for a higher position (4) planning dimension on manpower replacement and (5) the analytical thinking dimension of existing skills.

2.3 The concept of competitive advantage

Sengur et al (2022) gave the meaning that competitive advantage is a strategy to create organizational competitive advantage by providing the best quality product and services to consumers with a lower cost than competitors, with the right locations, or other advantages that can outperform competitors. There must be differentiation in 3 areas as follows: A low-cost leadership strategy, Differentiation strategy, and Focus or niche strategy.

As for Barney & Clark (2009), competitive advantage is defined as the ability to acquire valuable resources which is uniqueness, different from others and unable to imitate. Business strategy based on competitive advantages will be able to compete with competitors and maintain a customer base. In order to create competitive advantages such as creating the highest quality products and services also includes providing excellent customer service including achieving lower costs than competitors, as well as providing a better location, designing better branded, product and services. In the customer's point of view, when they see the product or service as something worthwhile, they are willing to pay, whether in terms of product quality or value for money. Therefore, the organization must provide the best for its customers consequently.

From the review of literature related to the strategic human resource management in Thailand aviation industry in new normal culture era after the COVID-19 pandemic crisis: a case study of Bangkok Airways, the researcher has applied and integrated the ideas of Karami et al. (2004), Barney & Clark (2009) on strategic human resource management approaches and on strategic competitive advantages into a conceptual framework for this research study.

3 Research Methodology

3.1 Data Collections

Data were gathered using a variety of model questionnaires, one of which was completed by a Bangkok Airways employee who works as the ground staff. In order to evaluate Bangkok Airways' level of human resource management and level of competitive advantage, the sample group of employees was divided into two groups. There are 585
persons in total between the first group of 310 employees and the second group of 275 supervisors and managers.

3.2 Research Populations and unit of analysis

The target population of this research is employee of Bangkok Airways with a sample group who works as officer level 1,373 persons, and managerial level which consist of two sub-group as follows: supervisor level 335 persons and as a manager level of 545 persons, in total of 880 persons.

The interview questions designed for a group of employees at two level as follows: first level is officer level; second level is managerial level. The researcher uses snowball sampling method to collect the data in quantitative research method. A random sampling of 1,373 officer level and 545 of managerial level was calculated in the Yamané formula.

Therefore, the size of the sample 275 samples.

In this study, frequency, percentage, mean, standard deviation, and T-test were used to analyze two groups of the data, together with Multiple Regression Analysis and Pearson's Product-Moment Correlation Coefficient Analysis.

4 Research Results

Bangkok Airways has managed to create a competitive advantage in terms of product differentiation. The differentiation in service, innovation, development, cost Leadership and long-term business stability are at a high level. The focus is placed on the development of innovation at the highest level. Next in line is cost leadership. Follow by long-term business stability and differentiation of product and service respectively.

Moreover, Strategic human resource factors affecting the competitive advantage of Bangkok Airways are: Strategic Alignment (SA) which affects to competitive advantage at the most. Follow by Learning Information Systems (LIS), Human Capital Development (HCD), Integration Strategy of Human Resource Management (ISHRM), Human Resource Information Systems (HRIS) and Executive Management Information System (EMIS) respectively.

5 Recommendations

Customer satisfaction is the key factor to enhance organizational competitive advantage. Customers should be managed as assets, although customers are varying in their needs, preferences, and buying behavior. It is essential to determine new practices and strategies that can allow air transport management to be enriched and to be successful said Kankaew (2022).

As many customers fly with reputable carriers, therefore, customer satisfaction is the key to enhance airline business, management should take main responsibility to increase satisfaction in value-added procedure as it becomes essential in airline business to maintain customer’s satisfaction and loyalty in a long-term. (Worasuwannarak & Kankaew, 2022; Wu, 2022; Ushakov et al., 2017).

Consequently, in order to improve company competitive advantages, airline management must implement strategic human resource management, including strategic alignment (SA), learning information systems (LIS), human capital development (HCD), and integration human resources management (ISHRM), human resources information system management (HRIS), and executive management information system (EMIS) to strengthen the airline business to have the capability to create a competitive advantage,
particularly in the new normal era after the COVID-19 pandemic in accordance to their context of the environment respectively.

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