Influencing of transformational leadership to the organizational loyalty of Thai Airways’ cabin crew

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Abstract. The airline industry is a service nature and related to labor costs, turnover is a critical issue for any airline company to pay attention as the cost of it may be high (Chen, 2006). A number of studies have suggested that leadership style was one of factors influencing employees’ level of organizational commitment (Mowday et al., 1982; Walumbwa et al., 2005). In this study, the researcher aims to determine the relationship between Bass’s model of leadership styles, transformational leadership, and the level of organizational loyalty among Thai Airways’ cabin crew. The study found that differences in personal characteristics such as age, salary, status, and length of employment have differences in organizational loyalty among cabin crew with a statistically significant at 0.05 and transformational leadership has an impact on the organizational loyalty with a statistical significance level of 0.05. This study can identify the impact of leadership behaviors of their supervisor in order to provide empirical evidences for the airline company, which could be used to develop the supervisory role in increasing organizational loyalty among their employees.

Introduction

Leadership is defined as the process of influencing leaders on their subordinates to achieve organizational goals amid changes (Achua & Lussier, 2013) because leaders are the closest mediator in the employment environment to ensure satisfaction and commitment among their followers (Clinebell et al., 2013). However, employees whom are in charge in customer service sections (i.e. passenger service agent, flight attendants) appear to have a high variability from their colleagues and leaders, as the result it creates potential pressure which affects their loyalty in regard of colleague and leader supports (Bacharach et al., 2000; Ushakov, 2016).

Leadership style directly impacts various aspects of an organization’s performance, culture, and overall success. It can influence how employees feel about their work and their level of engagement. A positive leadership style can motivate employees, boost their morale and enhance their productivity. Moreover, the leadership approach used within an organization can impact employee turnover rate. The turnover of cabin crew is important
for several reasons. High turnover can lead to increased recruitment and training costs, decreased operational efficiency due to inexperienced staff, and a potential impact on passenger satisfaction and safety. Additionally, frequent turnover can disrupt team dynamics and result in loss of institutional knowledge. Maintaining a stable and experienced cabin crew can contribute to better service quality, smoother operations, and improved overall airline performance. Organizational leadership is therefore an important factor and plays a large role in crisis management. (Garcia, 2006)

Transactional leadership and transformational leadership are recognized as the two main leadership philosophies that have an impact on organizational management. (Hasan & Rjoub, 2017; Alzoubi & Jaaffar, 2021; Waramontri, 2021). Transactional leadership is the way that the leader manages the organization by clearly setting the way of working and the desired goals and give reward in various forms when employees can achieve the goal and will not change working procedure until there is an error or substandard performance (Burns, 1978; Bass & Avolio, 1994; Sadler, 1997). While, Transformational leadership motivates employees by being a good role model and encourage them to show their potential. Moreover, communicate with employees without blocking their thoughts and support them to propose new solutions to problems (Bass & Avolio, 1994; Allameh, 2011; Birasnav, 2014; Decha, 2019).

Thai Airways is one sample of the airline that struggled to remain in operation during a pandemic. The organizational form had to be changed from a state-owned enterprise to a private enterprise and entered into a business rehabilitation plan according to the measures of the bankruptcy law for awhile until now. Lately, THAIECEO, Mr. Chai Eamsiri, revealed to Thansettakij news that Thai Airways would be able to exit rehabilitation by the third quarter of year 2024 (The Nation, 2023). During the period of the hard time, leader is key component for the company to continue their business. In order to maintain the business in the competitive environment both internal and external environment, Thai Airways has to change organizational strategy and focus on the leadership which focus on changing the attitude and values of the employees including the creation of loyalty and commitment in the organization’s goals and mission among employees (Itichaikul, 2021) especially cabin crew members. Cabin crewmembers have their roles to follow the safety requirements from International Civil Aviation Organization (ICAO). They must undergo lengthy training or recurrent courses to maintain their understanding of safety and customer service; if burnout occurs, the business will suffer an unanticipated financial loss.

2 Objectives

This study aims to investigate the transformational leadership influencing the company loyalty of the cabin crew. The first Objective is to study the organizational loyalty of Thai Airways’ cabin crew classified by personal factors affecting organizational loyalty and second to study the relationship between transformational leadership affecting organizational loyalty of Thai Airways’ cabin crew.

Independent Variables used in the study were first personal factors including gender, age, income, status, working period and job position of cabin crew and second concepts of transformational leadership style while dependent variable used in the study including the organizational loyalty of the cabin crew.

3 Literature review
A leader is someone who directs and motivates a group of people or an individual to accomplish a certain goal especially during the crisis situation, they have to organizing directing and managing others and also encourage the team to reach desired outcomes (Shah, 2023).

Transformational leadership (Bass & Avolio, 1990) theory states that leaders can influence their employees by increasing their knowledge of the significance of tasks, helping them understand that organizational and team goals should come before individual interests, and taking into account their developmental requirements. Bass introduced above 4 components (also known as 4‘Is’ of leadership) to provide a base for transformational leadership that a leader should demonstrate for effective performance and results. The following is an overview of these 4 components:

1. An idealized source of inspiration:
   - By adopting the persona of a charismatic or ideal leader, leaders can motivate followers to grow into leadership positions in the future. The foundation of both this idea and the transformational leadership strategy is the idea of charisma. It makes the assumption that by setting an example for their followers, leaders may influence and motivate them.

2. Inspirational motivation
   - These leaders are able to articulate their vision to their team members. They energize the team to work toward these goals or the shared vision and inspire them to do so. A strong transformational leader would inspire their staff to learn new things constantly and build new abilities, boosting their prospects of advancement within the company. Team members are able to distinguish between the tasks necessary to attain the vision and frequently follow a leader’s example by doing the same things that they advise others to do.

3. Intellectual stimulation:
   - These leaders motivate their team to demonstrate creativity, critical thinking, problem-solving approach, and innovative ideas in their tasks and also encourages their innovative ways to identify and solve issues.

4. Individualized consideration:
   - This requirement places a duty on leaders to attend to the wants and requirements of followers on both a professional and personal level. Leaders must be sensitive to the needs of their subordinates on a personal level in order to inspire and improve performance. As a result, managers must train their teams to match their personal aspirations with company goals by serving as a team’s mentor and coach and providing one-on-one counseling. Members are encouraged to perform at their highest level both personally and professionally while pursuing self-development.

Some research found that in the private sector like airline and hotel business, transformational leadership has a greater influence on crisis management than other types of leadership (Anwar, 2017; Alzoubi & Jaaffar, 2020; Alkhawlani, 2020). Employee loyalty has been shown to have a statistically significant positive relationship to employee retention (Hackett et al., 2001). It is a psychological state, a psychological connection between organizational management and workers, and it represent show an individual feel about the company for which he or she works.

Hoy & Rees (1974) stated that loyalty is good for an organization; it expresses the relationship between the individual and the organization. If a person has high loyalty to the organization, there will be no idea to leave the organization. Loyalty is composed of three aspects: Behavioral aspect, Affective aspect and Cognitive aspect, which can be classified as follows:
Behavioral loyalty: refers to the actions and behaviors an employee demonstrates to indicate their commitment to the organization. This includes in putting extra effort in company imitative.

Affective Loyalty: refers to the emotional attachment and positive feelings an employee has towards the organization. Driven by a sense of belonging, trust, and genuine desire to contribute to the organization’s success.

Cognitive loyalty: involves an employee’s thoughts and beliefs about the organization. It includes their alignment with the organization’s values, mission and goals.

These components together form a holistic view of the employee’s loyalty to an organization, encompassing their emotions, actions, and cognitive alignment.

The effectiveness of leadership styles on organizational loyalty can vary based on factors like organizational culture, employee personalities, and the specific context. Leadership should be adaptable to meet the unique needs of the organization and its employee.

Transformational leadership is a way to build commitment and motivation among employees by increases their confidence that they can plan, manage, and reflect on their professional development. It served as an effective model for energizing employees to improve institutional performance through acceptance of behavioral norms that are dependent on moral conduct and the interactions of environmental factors to modify the practices (Neenetal, 2020).

Loyalty and organizational commitment have been found to be substantially connected in certain studies, but other researchers felt that the two factors should be viewed from separate angles. But in the past, numerous researches (Anjam & Ali, 2016, Dhir et al., 2020, Turkylmaz et al., 2011) used the literature on organizational commitment to define employee loyalty.

According to Anjam & Yawer Ali (2016), loyalty is characterized by a sense of commitment to one's employment, passion for the company, and a desire to carry on working there. Work engagement has a big impact on employees' willingness to stay and loyalty, and it can enhance productivity and profit (Mani, 2011). Employee loyalty to the organization can be improved by increasing work engagement to a high level (Biswa & Bhatnagar., 2013; Pološki & Hernaus, 2015).

Past studies have found that there is significant correlation between work engagement and organizational commitment, employee loyalty, satisfaction, and willingness to stay (Geldenhuys et al., 2014). Engaged employees are necessary for a company to be successful since they are more dependable and inclined to stick with the company. (Al-Omar et. al., 2019; Andreeva & Ushakov, 2016; Mezinova et al, 2022, 2023).

Based on the literature review, it believes that work engagement will be mediation of the relation between transformational leadership on employee loyalty.

4 Methodology

This survey research uses a quantitative study method. The population used in this study were employees from Thai Airways cabin crew with a total number of 353 employees. Because the exact population is known, the researcher has calculated the sample size by using the formula of Taro Yamane (1973) to obtain a sample size of 353 people from 2,983 (Thai Airways International Public Company Limited Annual Registration Statement 2020) by convenience random sampling method and using a closed-end electronic questionnaire via google form to collect scoring data. The study data collection procedure was carried out for two months. Using a 5-level Likert Scale that ranged from 1 (strongly disagree) to 5 (strongly agree).

The questionnaire was divided into 5 parts as follows:
Part 1: Personal factors of the respondents: general information such as gender, age, income, status, length of work, job title.

Part 2 is a question related to the characteristics of the leader in terms of general characteristics and job-related characteristics.

Part 3 is a question related to transformational leadership based on the opinions of the flight attendants.

Part 4 deals with the cabin crew's loyalty to the organization.

Part 5 is for respondents to provide additional suggestions on their attributes to a transformational leadership style. The calculation results for IOC values found that all questions of all 2 variables had IOC values passed the criteria, with IOC values between 0.67-1.00, which obtained an IOC value of 0.89. The researcher brought the revised questionnaire to try out with a group of 37 non-sample cabin crew and analyzed for reliability which is set not less than 0.70 to calculate the alpha coefficient of Cronbach (1990). The results of Cronbach's Alpha analysis were between 0.933-0.955. Descriptive Statistics Analysis is an analysis of the preliminary data of the sample by finding the number of percentages used to explain general data, mean used to interpret various data and standard deviation (S.D.) and inferential statistical data analysis such as statistical differences, t-test (Independent Sample Test), F-test and Multiple Regression Analysis. Statistically significant at the 0.05 level.

Table 1. Alpha coefficient to Cronbach’s alpha analysis

<table>
<thead>
<tr>
<th>Questions</th>
<th>Cronbach’s alpha</th>
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<tbody>
<tr>
<td>Transformational leadership</td>
<td>0.955</td>
</tr>
<tr>
<td>Organizational Loyalty</td>
<td>0.933</td>
</tr>
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5 Results

The study collected data from a sample of 253 people from a total of 353 people, representing 71.67 percent. From the study of demographic characteristics found that different genders of cabin crew influencing on level of loyalty (0.104) and age is influencing level of loyalty to the organization (0.000). Incomes also influencing level of the organization’s loyalty (0.004). The marital status influencing the level loyalty to the organization (0.015) While longevity and rank also influencing the loyalty to the organization (0.000).

Transformational leadership style affects the overall organizational loyalty of Cabin Crew with statistical significance at the 0.05 level.

Analysis of influence factors between Transformational Leadership style that affect the loyalty of cabin crew were used by the step wise multiple regression statistics were used and found that transformational leadership ad a statistically significant impact on the overall cabin crew’s organizational loyalty at the statistically significant level 0.05 and has a regression coefficient equal to 0.426. 8% of the dependent variables were influenced by all dependent variables, and the remaining 92% were influenced by other variables not included in the linear model.

Transformational leadership style is 8% influencing the organizational loyalty the remaining is influencing by other factors.

6 Conclusions
To study the organizational loyalty of Thai Airways cabin crew classified by personal factors, it was found that even there are differences in gender and job position but the level of the organizational loyalty is no significance difference with statistically significant at the 0.05 level.

There was no significant difference in loyalty to the organization because all cabin crew have to comply with the organization rules and policy and get the same standard welfare. On the other hand, the differences age, income, marital status and longevity lead to the differences in loyalty level. Longevity in an organization often fosters a sense of belonging and familiarity. The one who have been working for a long period of time tend to have deeper connection with colleagues, a better understanding of company values, and greater investment in their roles. As for individuals who worked for a short time, their loyalty might not have had sufficient time to develop due to limited exposure to the organization’s environment and dynamics. Transformational leadership style has positively affected the organizational loyalty of Thai Airways cabin crew with a statistical significance level of 0.05. It shows that leaders who can inspire and motivate their team members by setting a compelling vision, encouraging creativity, and fostering a sense of personal growth and development.

Moreover, this style of leadership creates a strong emotional connection between the leader and the team, leading to increase trust, engagement. As a result, employees are more likely to feel a sense of loyalty to the leaders and the organization as they see their own values aligned with the organization’s goals.

Related to Donkor et al. (2021) who said that transformational leadership drives the organization's commitment to a positive direction which will increase the efficiency of employee.

From this study can be used as a guideline for the management to plan their strategies for instance in terms of revenue, the organization should adjust the salary to be close to other airlines so that employees do not want to leave the organization to live in a company that pays more. Prioritized open communication and transparency.

Keeping employees informed about company’s goals, decision, and recognizing and rewarding employee’s contribution. After realized that transformational leadership style influencing employee loyalty level, organizations should use the leadership criteria of transformational leadership style as a criterion for selecting leader’s future intermediate leaders so that employees can be loyal to the organization.

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