

## **Singapore Airlines Case Study**

Singapore Airlines was created in 1972 following a separation from Malaysian Airlines. In the wake of reorganization, Singapore Airlines undertook aggressive growth, investing and trading to maximize profitability and expand market share. Through this change, a new company philosophy emerged, "Success or failure is largely dictated by the quality of service it provides" (Wyckoff, 1989). By reinventing the company infrastructure and introducing new initiatives focused on excellence in customer service, Singapore Airlines became a global leader in the service industry, elevating existing standards among competitors.

### **Evaluation of Workforce Management Program**

The strategy widely utilized by Singapore Airlines to ensure differentiation in an increasingly competitive market was its attention to in-flight service. "Good flight service [was] important in its own right and is a reflection of attention to detail throughout the airline" (Wyckoff, 1989). This statement perpetuated the belief that excellence in service was directly tied to the careful selection and individual performance of in-flight crews charged with the responsibility of fulfilling the needs of individual passengers and exuding the levels of service demanded by the organization. Applicants destined to work as flight stewards were drawn from a very young population, typically spanning the ages of 18-25 years of age with high school equivalency against the English system of education. Selection of applications was competitive largely due to the degree of skill, poise, and experience required of its candidates. These policies led to the on-boarding of a highly skilled and youthful workforce with positive attitudes and a willingness to be trained. Critique of this approach revealed several disadvantages. The most significant being the potential for greater turnover when hiring a younger population as opposed to an older, more experienced crew. Experience alone would play some role in the development of new employees, as greater experience would bring greater poise and confidence. However, in light of the predominant population Singapore Airlines catered to, a younger in-flight crew would remedy the awkwardness likely to be encountered by older clients being served by older crew members. In addition, a younger crew would likely be more accepting of new procedures and less cynical of the requirements of employment.

In light of the young demographic most desired in this role, recruitment, training and "conversion" processes were both stringent and comprehensive. All aspects of in-flight service, including training related to terminology, amenities and food preparation were provided in great detail, as were training for emergency preparedness and response to every potential scenario encountered in the air and on the ground. Formalized on-boarding, training and continued development were the hallmarks of the comprehensive workforce program. Even well into a crew member's employment, on-going training and cyclical evaluation provided a mechanism for employees to be aware of individual performance and gain exposure to methods of continuous improvement. With an on-going plan of evaluation, communication, and development, the workforce was well-positioned for high levels of performance and quality improvements.

Though it would seem that Singapore Airlines' work management program suited the organization well, it greatly narrowed the pool of applicants and kept many, well-qualified and experienced candidates from positions that would create diversity among the largely homogeneous workforce and place the organization in a better position to serve populations whose ethnic origins were not of Asian descent. If the organization aims to be the leader in an increasingly global marketplace, the workforce must mirror the diverse needs and perceptions of the greater population.

### **Advertising Campaign**

Singapore Airlines is known in the airline industry for its quality of service. This emphasis on customer service and customer satisfaction is largely reflective of the Asian culture for which the company embodies. Attention to detail, impeccable presentation, and care for others are traits synonymous with countries of Asian heritage. Similarly, Asian countries revere conservatism, organization and hierarchy (Allik, n.d.) so, it would follow that young Asian individuals demonstrate the same gracious, caring behaviors to others. The expectation of "gentle, courteous service" is consistent with these norms and with the approaches taken by the organization. So much are these standards and stereotypes linked to Asian culture and the epitome of service, that the symbol applied to the airline is that of a young Asian woman. This image is resoundingly more beguiling and traditional, recognized by nearly 50% of consumers over typical marketing imparted by competitors, with a marginal recognition of 9.6%. In light of the positive impact and recognition of the existing marketing campaign, it was considered advisable to retain the current marketing strategy.

### **Systems for Measuring Service Quality**

Singapore Airlines has two primary components involved in measuring service quality. The first is a system to measure customer complaints and compliments for every 10,000 passengers. The second measurement is a comparative rating of airline services prepared by the International Research Associates (INRA).

The first component, customers' complaints and compliments, stayed relatively the same despite rapid organizational expansion. This type of analysis has shown a generally high satisfaction level, but could be skewed due to the vast areas the complaints and compliments could cover; from ticket sales and baggage areas to in-flight crews. To address this concern the complaints were split between the areas. However, to get an accurate barometer of customer satisfaction, it was recommended that the airline conduct routine surveys of customers. Often, customers submitting comments fell into one of two categories; those having complaints or those having compliments.

The second component to gauge customer satisfaction involved the INRA surveys. The airline executives paid particular attention to these scores as they indicated levels of satisfaction among the general consumer population and identified areas requiring continuous improvement. In 1973 Singapore Airlines scored 68, in 1974 the company scored 74 and in 1979 they scored 78. The scores of 39 other airlines demonstrated that two other competitors, Cathy Pacific and Thai International, were improving rapidly. This provided one indicator of competitive advantage. In order for Singapore Airlines to stay ahead of their competitors they would need to evaluate their position against industry leaders and

determine if changes would be needed to stay competitive, particularly with respect to customer service and customer satisfaction (Wyckoff, 1989).

### **Plan to Introduce Slot Machines**

Singapore Airlines has responded to many changes in order to differentiate itself within an increasingly competitive market place. One responsive action was to remove sleepers, replacing them with a business class section. Reactions from consumers were less than favorable. The move strayed from what consumers came to expect of elite levels of customer service, which were in large part, due to the attention paid to the personal needs of its elite customers. Although intended to be innovative and distinctive, the inclusion of slot machines on transatlantic flights was another idea met with considerable consumer dissatisfaction. While potentially generating a new stream of revenue, the idea only worked to incite passengers with a new category of charges. In addition to generating cost for the consumer, the machines took valuable space away from seats and posed problems in light of weight restrictions (Time, 1981). These changes only compounded issues and introduced new problems such as the potential for in-flight injury, rather than improving in-flight services. While there was some opportunity for revenue, initially, the gains would last for a season and were not expected to extend out into the long-term.

### **Conclusion**

The Singapore Airlines Case Study highlights both effective as well as ineffective management approaches within the company. The subsequent analysis and evaluation of company operations and strategies offer a compelling glimpse of organizational design and leadership amid change, as well as provide a platform for future discussions of organizational development and change management. Group evaluation of organizational design, organizational decision-making, and organizational process at Singapore Airlines yielded some recommendations for new approaches to address complaints, become more mainstream in an increasingly diverse market space, and become more innovative without losing sight of the customer service focus that has made Singapore Airlines so successful.