

Managerial Factors Related to the Satisfaction of Outsourced Ground Handling Staff in the Airline Industry

ปัจจัยการจัดการที่สัมพันธ์กับความพึงพอใจของพนักงานบริการภาคพื้นดินแบบสัญญาจ้าง เหมาจ่ายจากบริษัทภายนอกในอุตสาหกรรมการบิน

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Abstract

Several airlines are intending to downsize their businesses to become networked organizations while outsourcing the ground-handling work at airports. The main purpose of this study was to identify those variables that were the key components of the managerial factors associated with the satisfaction of outsourced staff in network organizations. Questionnaires were distributed to outsourced ground-handling staff with at least two months of experience working as outsourced staff at domestic and international airports. The samples of 373 were used for the data analysis. Two critical components were identified by the exploratory factor analysis—"Outsourcing Employment Contract" and "Work Atmosphere"—that significantly influenced the outsourced employees' satisfaction with their work in the airline industry. In addition, the results of the multiple regression analysis indicated that the inclusion of support for continuing education in the employment contract was most strongly related to the satisfaction of the outsourced employees. However, career growth opportunities also need to be carefully considered. Regarding the working atmosphere, upward communication channels should be focused on ensuring employee satisfaction. These findings may help employers, managers, and stakeholders in the mutual development of human resource strategies that consider working conditions, effective employment contracts, and the working environment in order to satisfy outsourced staff.

Keywords: Satisfaction, Managerial factors, Ground handling staff, Outsourced staff, Airlines

บทคัดย่อ

ธุรกิจการบินมีแนวโน้มที่จะปรับลดขนาดองค์กรเป็นรูปแบบองค์กรเครือข่ายและใช้พนักงานบริการภาคพื้นดินแบบสัญญาจ้างเหมาจ่ายจากบริษัทภายนอกเพิ่มมากขึ้นเพื่อการปฏิบัติงานที่สนามบิน วัตถุประสงค์ของการศึกษาเพื่อระบุองค์ประกอบที่สำคัญของการจัดการที่มีผลต่อความพึงพอใจของพนักงานบริการภาคพื้นดินแบบสัญญาจ้างเหมาจ่ายจากบริษัทภายนอก ผลการศึกษาจากกลุ่มตัวอย่างพนักงานบริการภาคพื้นดินแบบสัญญาจ้างเหมาจ่ายจากบริษัทภายนอกที่ปฏิบัติงานในท่าอากาศยานภายในประเทศและระหว่างประเทศ ที่มีประสบการณ์อย่างน้อย 2 เดือน โดยกลุ่มตัวอย่างมีจำนวนทั้งหมด 373 คน การวิเคราะห์องค์ประกอบของปัจจัยการจัดการที่สำคัญ พบว่าองค์ประกอบสำคัญที่มีผลต่อความพึงพอใจของพนักงานจำแนกได้เป็นสององค์ประกอบ คือ สัญญาจ้าง และ บรรยากาศในการทำงาน เมื่อวิเคราะห์ด้วยสถิติถดถอยเชิงพหุคูณแสดงสิ่งสำคัญที่มีอิทธิพลที่ควรพิจารณาระบุในสัญญาจ้าง อาทิ การสนับสนุนการศึกษาที่สูงขึ้นเพื่อให้พนักงานมีโอกาสเพิ่มพูนความรู้ ส่วนการสนับสนุนความก้าวหน้าในอาชีพควรถูกพิจารณาอย่างรอบคอบ อีกทั้งผู้บริหารในอุตสาหกรรมการบินควรพิจารณาจัดการบรรยากาศการทำงานให้เหมาะสมเพื่อให้พนักงานมีช่องทางการติดต่อผู้บริหารหรือร้องเรียนเรื่องต่าง ๆ ผลของการวิจัยนี้จะช่วยให้นายจ้าง ผู้บริหารองค์กร และผู้เกี่ยวข้องร่วมกันพัฒนากลยุทธ์การบริหารทรัพยากรมนุษย์ที่คำนึงถึงรายละเอียดในสัญญาจ้าง และการจัดการสภาพบรรยากาศการทำงานที่เหมาะสมที่มีผลต่อความพึงพอใจของกลุ่มพนักงานบริการภาคพื้นดินแบบสัญญาจ้างเหมาจ่ายที่จะเป็นทรัพยากรที่สำคัญในงานบริการลูกค้า

คำสำคัญ: ความพึงพอใจ ปัจจัยการจัดการ พนักงานบริการภาคพื้นดิน พนักงานสัญญาจ้างเหมาจ่าย อุตสาหกรรมการบิน

Introduction

Since the 1990s, when outsourcing became a popular business strategy, many organizations have been using outsourced staff to reduce constraints and downsize their operations in response to financial crises (Rutner & Brown, 1999). Additionally, organizations that lack human resources may, for a competitive advantage, be better served by acquiring expertise for their specific tasks. Many industries have outsourced their labor, and continue to do so today, including retail, manufacturing, financial services, information technology, software, and even airlines. Plotkin (2018) has shown that 78 percent of corporate executives have had positive experiences with outsourcing services, and 65 percent of them continue to use these services. Outsourcing is constantly increasing, and the range of tasks it covers is expanding, though its use entails significant changes to the work, management process, organizational design and corporate environment in general (Lever, 1997; Klass, McClendon & Gainey, 2001; Engardio, Einhorn, Kripalani, Reinhardt, Nussbaum & Burrows, 2005). Outsourcing creates a networked organizational structure in which a company focuses on its strengths while its staff concentrate on their primary tasks and objectives. The outsourcing of ground-handling services is a common strategy at many airports around the world. The tasks outsourced range from aircraft cleaning and maintenance to fueling, baggage handling, check-in operations, and passenger services. There are many advantages to a company outsourcing a particular task, job, or process. The company can control unnecessary capital expenditure, allowing for investment in other areas of the business, along with several other benefits such as competency, control, and competitive advantage. Additionally, it helps to establish an easy start-up process for new airline businesses.

Despite these business benefits, however, outsourcing strategies can impact upon the quality of employees' work-life balance and satisfaction, with research suggesting that it may have a negative impact on some staff. Outsourced staff regard their jobs as insecure because the organization could not commit to long-term contracts. They lose the benefits of permanent employment, healthcare, short and long-term career development opportunities, and retirement benefits (Crolius, 2006). It appears that wages are a significant factor affecting the satisfaction levels of outsourced ground-handling staff in the USA; companies provide services to multiple airlines to maximize working hours and wages, which leads to reduced turnover and a stronger workforce. Relationship building between permanent employees and outsourced staff or providers is also essential; poor relationships can lead to reduced performance and a lack of cooperation (Pearce, 1993). Beyond their daily roles, outsourced staff are generally limited in their opportunities for training and career development, especially in their chosen career paths.

According to evidence from Thailand, outsourced staff suffered from unstable employment and uncertain futures. In 2017, the executive board of the Airport of Thailand Public Company Limited adopted a policy of not extending contracts for outsourcing, which has caused several problems, including strikes carried out by outsourced workers calling for a pay rise, and many outsourced employees lost their jobs immediately. Recently, the Reuters reported that outsourced staff sued their subsidiary company for termination without severance pay and for not providing payment to cover their notice period. Abdullah and Satar (2018) have suggested that in-house airline activities within the organization might help to keep services operating efficiently in the Asia Pacific region because of the lower associated labor costs.

Airline employee satisfaction is an essential aspect of an organization, leading to higher profits (Melián-González, Bulchand-Gidumal & González López-Valcárcel, 2015), lower employee turnover rates, and higher levels of employee retention (Coetzee & Stoltz, 2015). Satisfaction at work is generally studied in two aspects: as the cause of employee behaviors or the outcome of factors. Job satisfaction not only affects employee performance and productivity but also, significantly, leads to positive customer experiences (Ahmad, Wasay & Jhandir, 2012; Limpanitgul, Robson, Gould-Williams & Lertthairakul, 2013). Several researchers have argued that these factors are important in ensuring employee satisfaction. This study aims to explore the organizational and managerial factors affecting outsourced workers, as employees, in the organization. Following the COVID-19 crisis, a number of airlines intend to manage their costs by downsizing their organizations. Outsourced airline ground-handling staff will become a valuable resource for representing high-quality customer service at airports, and satisfied employees will maintain a high standard of customer service for passengers. Therefore, human resources managers are expected to achieve organizational objectives while maximizing employee and staff benefits. The findings are important for aviation service providers, airlines, and aviation organizations, allowing them to mutually manage their employees (an airline's highest cost) in order to satisfy their outsourced staff. The major research question addressed in this paper is: when outsourced airline ground-handling staff work in network organizations, what managerial factors can be associated with their satisfaction?

Research Objectives

The primary objectives of the study are: (1) to identify the managerial components that are associated with outsourced staff's satisfaction, and (2) to analyze the factors associated with such satisfaction and select suitable variables for forecasting its presence within the network organizations of the airline industry.

Literature Review

The airline industry is based on a network of organizations, which allows them to control their fixed costs and enhance their efficiency through outsourcing. The companies perform a range of core functions and outsource other roles to limit costs and accelerate work processes. Outsourced staff, who are usually specialists in particular tasks, are a prominent resource for effectively supporting line positions and pursuing the company's goals.

Before the global pandemic, Work Venture, a job search survey, reported that three companies in the airline industry, the Thai Airways International Public Company Limited (THAI), the Airports of Thailand Public Company Limited (AOT) and the Thai AirAsia Company, are ranked in the top 50 companies that new Thai generations are willing to work with. THAI and AOT are state enterprises, while Thai AirAsia is a private company. A number of researchers have noted the advantages offered by state enterprises regarding employee satisfaction were job security, higher remuneration and an established welfare system. In addition, supportive colleague relationships are a factor in enhancing work performance and retention. An employee performs a specific, clarified role under his or her job description, and while employees are limited in the scope of their work, in line with regulations and organizational structures, they are ultimately able to pursue their career path in the organization. The organizational structure, remuneration requirements and welfare system have been key obstacles to the growth of state enterprises. Since increasing permanent employees would affect the expense budget, outsourcing policies were often considered preferable.

Thai AirAsia Company provides its own ground-handling and support services, supplied by members of the AirAsia Group, in most airports. As of December 2019, Thai AirAsia had 2,367 employees available for ground operation. The company allocates a significant budget for the training of ground operation staff each year to ensure that employees are fully prepared to assist passengers effectively and efficiently. Thai AirAsia's expenses were 41,658.4 million Baht, increased by 5% from 39,539.2 million Baht (between 2018 and 2019). This increase was primarily caused by an increase in permanent staffing costs (Asia Aviation Public Company Limited, 2019). AOT has committed to supporting its personnel, seeing them as a major resource and mechanism in AOT's development toward becoming one of the world's largest airport. As of September 30, 2020, AOT had a total of 8,769 employees (increased from 8,117) and approximately 13,382 outsourced staff (reduced from 14,404). AOT offers the highest remuneration and maximizes the benefits available to permanent employees. In 2020, AOT's employee benefit expenses were 22.60 percent of their total costs, which were 6,314.23 million Baht, down by 23.04 percent from 8,204.21 million Baht in FY2019. AOT's outsourcing expenses were 4,030.44 million Baht, down by 31.62 percent. The expenses were 14.43% of the company's total costs (Airports of Thailand Public Limited Company, 2020). THAI used a labor-management approach to mitigate the undesirable effects of workforce movements through outsourcing certain tasks to other companies, including the recruitment of part-time employees to ensure the availability of an adequate workforce that can serve the needs of customers at all airports. (Thai Airways International, 2019). In 2020, THAI submitted a petition to enter into a business rehabilitation process to the Central Bankruptcy Court under the Bankruptcy Act B.E. 2483. (Thai Airways International, 2020)

As with the global airline industry, airlines and airport operators in Thailand were adversely affected by the COVID-19 pandemic, during which passenger demand fell to almost zero. The airline industry suffered huge losses, and was forced to seek liquidity. Faced with a serious financial crisis, THAI laid off more than 6,000 workers and offered an early retirement program. In February 2021, THAI announced that it was restructuring its organization into four subsidiary companies. Most of the company's employees officially become outsourced staff at THAI. Nok Air, a low-cost airline, underwent a rehabilitation process and could not confirm the future employment of 1,500 permanent employees. Similarity to Thai AirAsia, seventy-five percent of permanent employees were left without pay for a year. AOT has struggled to pay their permanent employees their full salary, excluding bonus payments, for a few years. Airlines and airport operators may focus on cost reductions by minimizing wages and benefits, as well as reducing staff. Downsizing to a networked organizational structure increasingly involves the use of subcontracting or outsourcing, especially in ground-handling services

Employee Satisfaction

Satisfaction is the positive feelings employees have toward their jobs in general or their attitudes toward specific aspects of their work or the managerial support provided by the organization. Sageer, Rafat and Agarwal (2012) have noted that employees' satisfaction relates to their happiness and the pleasure they take in their work and is brought about through the achievement of their desires and needs in the workplace. When employees feel insecure in their employment, it affects their level of satisfaction and happiness at work. Employees who are satisfied with their jobs are more productive and healthier than unsatisfied workers (Cass, Siu, Faragher & Cooper 2003). Siahaan (2017) has stated that job stress is related to outsourced staff satisfaction, and keeping outsourced staff happy is the key to reducing their desire to leave. However, some evidence has indicated that outsourcing often results in employees expressing negative feelings and behavior regarding their jobs and the managerial support offered by the organization. For instance, outsourced staff at the Airport of Thailand Public Company Limited went on strike, calling for a pay rise. They complained about unfair treatment and the insecurity of their jobs. The challenge of organization is to manage employees' attitudes to outsourcing, which can significantly affect the experiences of their customers (Limpanitgul et al., 2013).

Measurement scales of job satisfaction

According to the various measurement scales used to measure job satisfaction, studies have adopted a dimensional measurement approach. Smith, Kendall and Hulin (1969) designed the descriptive work index (JDI), which measures five aspects of job satisfaction including supervision, coworkers, payment, promotion, and the work itself. Weiss, Dawis, England and Lofquist (1967) developed the Minnesota Satisfaction Questionnaire (MSQ), which measures job satisfaction using 20 five-item scales, which are classified as representing intrinsic, extrinsic, and general job characteristics. Spector (1985) created the nine-facet Job Satisfaction Survey (JSS) through multi-trait-multimethod analysis of the JSS and the Job Descriptive Index (JDI). The JSS subscales include payment, benefits, contingency rewards, promotion, supervision, coworkers, communication, operating procedures, and the nature of the work. These scales are commonly used in the literature on job satisfaction (Díaz-Carrión, 2020).

Managerial factors affecting employee satisfaction

The factors that satisfy employees are related to employees' characteristics, job levels, professions, different types of organizations, and economic issues. According to organizational behavior perspectives, levels of organizational or managerial factors can influence an employee's feelings and behaviors.

Managerial factors, which are also known as organizational factors, have been identified as perceived organizational functioning, organizational support (Stamper & Johlke, 2003; Cheng & O-Yang, 2018), and the climate of diversity in an organization (Yavas, Karatepe & Babakus, 2013), and non-profit organization (Putson, 2020). Pay, work activities, supervision, coworkers, and advanced opportunities are most strongly correlated with overall job satisfaction, according to the literature, while pay and compensation are the primary satisfaction factors in the tourism and hospitality industry (Ineson, Benke & Laszlo, 2013; Lee, Back & Chan, 2015). Concerns relating to working arrangements were discussed in order to promote employees' work-life balance. Kim and Ryu (2017) have emphasized that a certain cost—health insurance benefits or sick leave paid, for example—is generally involved for employees in developing countries. Flexible terms are a key component in every aspect of organization management (Lee, Magnini & Kim, 2011). Organizations provide career growth opportunities, which encourage in employees an awareness of the importance of the role they play. These opportunities have been positively related to employees' feelings and behaviors in 3+ star hotels in China (Wang, Xu, Zhang & Li, 2020) and American tourism and hospitality firms, and influence the rate of staff turnover (Stamolampros, Korfiatis, Chalvatzis & Buhalis, 2019). As highlighted in the literature, the workplace environment can also impact psychologically on levels of employee satisfaction and work performance (Hofmann & Stokburger-Sauer, 2017). Employees are happy to work in a practical, well-designed office layout that includes adequate basic facilities (Bangwal & Tiwari, 2019; Kwon & Remoy, 2019). Along with the physical environment, being surrounded by supportive colleagues, receiving, recognition, and participating in social activities with coworkers and executives are also valued in the hospitality industry (Pan, 2015; McPhail, Patiar, Herington, Creed & Davidson, 2015).

As discussed earlier, different types of employment offer specific work conditions. Outsourcing is increasing the number of people employed in the airline industry. A team of outsourced staff is employed to enhance the company's competitive advantage and is handled by the organization using fixed-term contracts. While there is little specific evidence relating to the satisfaction of outsourced staff, Zeytinoglu et al. (2013) have indicated that different types of employment involving fixed-term contracts, paid and unpaid overtime, on-call work and mismatched contracts and hours are not associated with job satisfaction in service sectors in Turkey. The topic of outsourced staff is still controversial in different employment roles and types of organization. The meta-analysis of job satisfaction indicates that the level of outsourced staff's job satisfaction is lower than that of permanent employees. Wilkin (2013) explained that an unsympathetic managerial approach may reduce the level of employee satisfaction. Permanent employees are directly assigned jobs and are evaluated in their performance on the company's terms, whereas outsourced staff work under more flexible conditions. Permanent employees benefit from fair organizational procedures that encourage their satisfaction in the hotel outsourcing context (Zoghbi-Manrique-de-Lara & Suárez-Acosta, 2014). The gap in the literature relates to the limited research into different types of employment, and the implications of outsourced staff's satisfaction have received limited academic attention. Lee, Kim and Park (2017) have discussed how differences in work status can affect employees' satisfaction in service sectors, and suggest that organizations should be more concerned with developing strategies to fully utilize nonstandard employees in providing high standards of service to their guests.

Research Methodology

For the purposes of the questionnaire, data was collected from textbooks, journals and articles. The questionnaire included questions adapted from the Minnesota Job Satisfaction Scale and Job Satisfaction Survey (JSS) developed by Weiss, Davis, England and Lofquist (1967) and Spector (1985). This consists of a five-point Likert scale ranging from very dissatisfied (1) to very satisfied (5). This questionnaire measures the satisfaction levels of outsourced staff with regard to their supervisions, coworkers, payments, benefits, rewards, promotions communications, and working environment in the networked organization. Purposive sampling was utilized in the statistical analysis. The reliability of the measurements and the internal consistency of this reliability were assessed using Cronbach's Alpha. In this research, Cronbach's Alpha for the research variables was 0.825, which is considered acceptable. A total of 400 questionnaires were distributed to outsourced ground-handling staff working in airports, domestic and international terminals, and airline offices. A total of 373 questionnaires were completed and used in the data analysis. Exploratory factor analysis was initially performed to categorize the factors influencing satisfaction of the outsourced staff into groups. Hypothesis testing were incorporated into the regression analysis.

Findings

Sixty-eight percent ($n = 253$) of respondents were male. 43.20 percent of respondents were aged between 20 and 25 years. More than half of the respondents were single ($n = 268$), tenured for 2 to 4 years ($n = 191$) with an income of 10,001-15,000 Baht ($n = 227$) per month.

To identify and explain the managerial factors that relate to the outsourced staff's satisfaction in the networked organizations of the airline industry, exploratory factor analysis was conducted using a principal component analysis with Varimax with Kaiser Normalization Rotation. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity were applied to verify the adequacy of the data for factor analysis. The value of the KMO measurement was 0.926, indicating that the factor analysis is adequate. The Chi-square of Bartlett's test of sphericity is 5.558, which is significant. All results indicated that the data was appropriate for factor analysis. The analysis yielded two distinct factors, which accounted for 63.141 percent of the variance extracted.

Table 1 Results of the Exploratory Factor Analysis

Rotated Component Matrix Component			
item	Descriptions	Components	
		Outsourcing Employment Contract	Working Atmosphere
V1	Reasonable job evaluation	0.874	
V2	Fair welfares and benefits	0.833	
V3	Fair bonus and incentives	0.828	
V4	Fair wage and salary rate	0.826	
V5	Skill practice training support	0.672	
V6	Continuing education support	0.606	
V7	Recreational activities offer	0.605	
V8	Career growth opportunities	0.604	
V9	Work terms and conditions	0.542	
V10	Colleague relations		0.803
V11	Workplace layout and environments		0.788
V12	Work recognition in workplace		0.788
V13	Adequate working space		0.761
V14	Effective delegation		0.672
V15	Work as a team		0.642
V16	Facilities supports		0.638
V17	Employee and staff complaint channels		0.591
V18	Work schedule planning and implementation		0.565
V19	Outsourcing working policy		0.527
	Percentage of Value Explained	52.511	10.629
	Cumulative Percentage	52.511	63.141

- Factor 1—Outsourcing Employment Contract: Reasonable job evaluation, welfare and benefits, bonus and incentives, wage and salary rate, skill practice, training support, continuing education support, recreation activities, career growth opportunities, work regulations and agreements.
- Factor 2—Work Atmosphere: Colleague relations, workplace layout, work recognition in the workplace, adequate working space, effective delegation, work as a team, facilities, employee and staff complaint channels, work schedule planning and implementation, and outsourcing working policy.

The reliability analysis was carried out using Cronbach's Alpha reliability coefficient, which ranged from 0.917 to 0.924.

Table 2 Reliability and Mean Rankings of Dimensions

Factors	Number of Items	Cronbach's Alpha	Mean
Outsourcing employment contracts	9	0.924	2.718
Working atmosphere	10	0.917	3.195

Mean: 4.21-5.00=extreme satisfaction 3.41-4.20=satisfaction

2.61-3.40=average satisfaction 1.81-2.60=dissatisfaction 1.00-1.80=extreme dissatisfaction

The work atmosphere at the organizations is found to generate an average level of satisfaction (mean = 3.195). Outsourced staff emphasized the workplace atmosphere, the supervision style under the work policy, implementation and delegation, and relationships with colleagues. Outsourcing employment contracts refer to a clear agreement regarding payment, benefits, job description, and work and non-work opportunities, with which there was an average level of satisfaction (mean = 2.718).

Table 3 Mean Rankings of Employee Satisfaction

Outsourced Ground-Handling Staff Satisfaction	Minimum	Maximum	Mean	Std. Deviation
How do you feel to your employment status?	2	5	2.47	0.69
Will you be working for the same organization in the next few years?	2	4	2.47	0.65
How are you proud to work with the organization?	2	5	3.18	0.66
How happy are you with the job in general?	2	2	3.19	0.62
Average Overall Satisfaction			2.71	0.55

Mean: 4.21-5.00=extreme satisfaction 3.41-4.20=satisfaction 2.61-3.40=average satisfaction

1.81-2.60=dissatisfaction 1.00-1.80=extreme dissatisfaction

According to Table 3, the average overall level of satisfaction among outsourced ground-handling staff is at an average level (mean=2.71). The outsourced staff's satisfaction levels, their feelings regarding their employment status in the organization and their willingness to work for the same organization in the coming years revealed slight dissatisfaction (mean=2.47). Outsourced ground-handling staff take an average amount of pride in working for their current organization (mean=3.18). Lastly, their satisfaction with the job in general was shown to be average (mean=3.19).

Regarding factor analysis, managerial factors were found to incorporate two distinct elements, and two hypotheses on outsourced staff satisfaction were tested using regression analysis:

H1: Outsourcing employment contract factor is related to outsourced staff satisfaction

H2: Work atmosphere factor is related to outsourced staff satisfaction

Table 4 Results of Hypothesis Testing

Coefficients					
	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	T	Sig.
(Constant)	0.961	0.126		7.644	0.000
Outsourcing employment contract	0.479	0.057	0.510	8.428	0.000
Working atmosphere	0.141	0.057	0.149	2.456	0.015

$R^2=.395$ SEE=.430 F= 120.577*

According to the findings shown in Table 4, the managerial factor was positively associated with outsourced staff satisfaction in the networked organizations of the airline industry.

For H1 (Outsourcing employment contract factor is related to outsourced staff satisfaction), the hypothesis result shows that outsourcing employment contracts has a positive relationship with outsourced staff satisfaction (sig=0.000, $p<0.05$).

The principal objective of this paper is to select suitable variables for forecasting outsourced staff satisfaction in the networked organizations of the airline industry. To consider the outsourcing employment contract variables' relationships, their coefficients were tested using the Stepwise Multiple Regression Method, which is a combination of forward selection and backward elimination methods.

Table 5 Model Summary of Outsourcing Employment Contract

Model	R Square	Adjusted R Square	Std. Error of the Estimate	F	B	t
1	0.295	0.293	0.463	154.985	1.634	18.203
2	0.365	0.362	0.440	106.539	1.352	14.089
3	0.396	0.391	0.430	80.661	1.125	10.470
4	0.408	0.401	0.426	63.286	1.062	9.729
5	0.425	0.417	0.421	54.149	1.065	1.065

Model1, Predictors: (Constant), V3

Model3, Predictors: (Constant), V3, V6, V9

Model5, Predictors: (Constant), V3, V6, V9, V7, V8

Model2, Predictors: (Constant), V3, V6

Model4, Predictors: (Constant), V3, V6, V9, V7

The five significant models chosen as predictors were bonuses and incentives, continuing education support, work regulations and agreements, recreation activities, and career growth opportunities. The final model accounts for 42.5 percent of the variability of the response data around its mean, as shown in Table 5.

Comparing the relative strength of the various predictors within the fifth model, continuing education support has the largest Beta coefficient ($\beta=0.339$), followed by career growth opportunities ($\beta=-0.243$), bonuses and incentives ($\beta=0.290$), work terms and conditions ($\beta=-0.217$), while recreation activities offer ($\beta=0.177$) has the smallest Beta, as shown in Table 6.

Table 6 Coefficients of Outsourcing Employment Contract Variables' Relationships

Coefficients						
	(Constant)	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients(β)	t	Sig.
		1.065	0.108		9.887	0.000
V3	Bonuses and incentives	0.227	0.041	0.290	5.549	0.000
V6	Continuing education supports	0.242	0.051	0.339	4.714	0.000
V9	Work terms and conditions	0.170	0.040	0.217	4.236	0.000
V7	Recreational activities	0.125	0.037	0.177	3.420	0.001
V8	Career growth opportunities	-0.169	0.051	-0.243	-3.292	0.001

$R^2=.425$ SEE=.421 F= 54.149*

In Table 6, the results indicate that the overall model is statistically significant ($F=33.172$, $p<0.05$). Approximately 42.5% of the variability of outsourced staff satisfaction is accounted for by the variables in the model ($R\text{-squared}=0.425$). The coefficients for each of the outsourcing employment contract variables indicate the amount of change one could expect in outsourced staff satisfaction given a one-unit change in the value of that variable, assuming that all other variables in the model are held constant. The effect of continuing education support ($B=0.242$, $p<0.05$) is significant and its coefficient is positive, indicating that the greater the proportion of continuing education support included in an employment contract, the higher the outsourced staff's satisfaction will be (an increase of 24.2%). A one-unit increase in the rating of bonuses and incentives specified in outsourcing employment contracts ($B=0.227$) increases the outsourced staff's satisfaction by 22.70%. The work terms and conditions ($B=0.170$) and recreation activities ($B=0.125$) are significant, indicating that improved work terms and conditions and increased recreational activities specified in outsourcing employment contracts increase outsourced staff's satisfaction by 17.0% and 12.5% respectively. The career growth opportunities figure ($B=-0.169$) is significant ($p<0.05$); the coefficient is negative, which would indicate that greater career growth opportunities specified in outsourcing employment contracts correlate with lower outsourced staff satisfaction by a factor of 16.9%.

We can conclude that additional continuing education support, fairer bonuses and incentives, fairer working terms and conditions and increased recreational activities included in employment contracts are related to higher levels of satisfaction among outsourced staff. On the other hand, increased specific career growth opportunities included in outsourced staff contracts are associated with lower levels of satisfaction among outsourced staff. Fair wages and salary rates, reasonable job evaluation, fair welfare and benefits packages, and skills-training support are not significantly related to the satisfaction levels of outsourced staff.

H2: Work atmosphere factor is related to outsourced staff satisfaction

As shown in Table 4, the hypothesis test, H2, reveals that working atmosphere was significantly associated with outsourced ground-handling staff satisfaction ($\text{sig}=0.015$, $p<0.05$),

Regarding the relationships between work atmosphere variables, the predictors for the model are as follows: effective delegation, operational planning and scheduling, staff complaint handling, and work recognition in the workplace ($R^2=.231$, $.269$, $.287$, $.293$), as shown in Table 7.

Table 7 Model Summary of Work Atmosphere

Model	R Square	Adjusted R Square	Std. Error of the Estimate	F	B	t
1	0.233	0.231	0.483	112.641	1.673	16.571
2	0.273	0.269	0.471	69.491	1.435	12.855
3	0.292	0.287	0.465	50.847	1.336	11.660
4	0.301	0.293	0.463	39.616	1.162	8.261

Model1, Predictors: (Constant), V14

Model2, Predictors: (Constant), V14, V18

Model3, Predictors: (Constant), V14, V18, V17

Model4, Predictors: (Constant), V14, V18, V17, V12

The four significant models chosen as predictors were effective delegation, operational planning and scheduling, employee and staff complaint handling, and recognition in the workplace. The final model accounts for 30.1 percent of the variability of the response data around its mean, as shown in Table 7. In comparing the relative strength of the various variables as predictors within the fourth model, employee and staff complaint channels returned the largest Beta coefficient ($\beta=0.196$), followed by operational planning and scheduling ($\beta=0.183$) and effective delegation ($\beta=0.177$), while work recognition in the workplace has the smallest Beta ($\beta=0.113$), as shown in Table 8.

Table 8 Coefficients of the Work Atmosphere Variables' Relationships

Coefficients						
		Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (β)	t	Sig.
	(Constant)	1.162	0.141		8.261	0.000
V14	Effective delegation	0.121	0.046	0.177	2.614	0.009
V18	Operational planning and scheduling	0.132	0.042	0.183	3.147	0.002
V17	Employee and staff complaint handling	0.136	0.042	0.196	3.219	0.001
V12	Work recognition in the workplace	0.093	0.044	0.113	2.117	0.035

$$R^2 = .301 \text{ SEE} = .463 \text{ F} = 39.616^*$$

Table 8 shows that the model is statistically significant ($F=39.616$, $p<0.05$). Approximately 30.1% of the variability in outsourced staff satisfaction is accounted for by the variables in the model. Regarding the work atmosphere, the effects of employee and staff complaint channels are significant, indicating that the better the employee and staff complaint channels, the greater the increase in outsourced staff satisfaction (which increases by a factor of 13.6% ($B=0.136$, $p<0.05$)). Operational planning and schedule ($B=0.132$, $p<0.05$) is significant and its coefficient is positive, indicating that the better the operational planning and scheduling, the greater the level of outsourced staff satisfaction (which increases by a factor of 13.2%). Effective delegation is also significant, meaning that the more effective the delegation process, the greater the level of outsourced staff satisfaction (which increases by a factor of 12.1% ($B=0.012$, $p<0.05$)). Finally, a one-unit increase in the rating for work recognition in the workplace increases the satisfaction of outsourced staff by 9.30%.

Discussion and Conclusion

The study examines various variables and identifies factors impacting on outsourced ground handling staff satisfaction and intention to stay in the network organizations of the airline industry. Regarding the managerial factor, two key components were generated from the factor analysis. Factor 1 comprised the mutual agreement between outsourced staff and companies: reasonable job evaluation, welfares and benefits, bonus and incentives, wage and salary rate, skill practice, training support, continuing education support, recreation activities, career growth opportunities, and work terms and conditions, which were denoted as an outsourcing employment contract. The outsourced ground handling staff were moderately satisfied in their contracts. The characteristics of this managerial factor should be a clear agreement in reasonable payment, benefits, job description, work and non-work opportunities. This first critical factor makes a company worth working for. Outsourced staff assure and accept these particular offers during their employment period.

The most prominent issue regarding employment contracts was continuing education support, which influenced outsourced ground handling staff satisfaction. The opportunities in education to enhance staff efficiency not only help develop their conceptual skills but can also strengthen their job commitment. Evidence shows that continuing education support affected staff satisfaction in various tourism and airline organizations (Yang, Wan & Fu, 2012). Likewise, the outsourcing companies may cooperate closely with academic institutions to provide some levels of operational training in professional practices or technology practices required in hospitality and airline roles. Even though bonuses, incentives and recreation activities programs were variable, a fair offering should be clarified in the employment contract. These rewards were contingent on their discretion, performance or results achieved. According to the concept of the unity of command, most outsourced ground handling staff work under multiple supervisors who complete tasks, appraise work performance and consider rewards. Either outsourcing companies should determine variable pay based on performance, or the network company should offer an additional common reward plan based on staff' outstanding performance. Lastly, work terms and conditions should include unambiguous employment regulations and optional provisions. The more they are set in the work rules, internal delegations and communications between two organizations, work time schedules and the place or frequency of payment of remuneration, the greater the outsourced staff' satisfaction in the airline industry will be, whereas a negative relationship was found between career growth opportunities clarified by employment contracts and outsourced staff satisfaction. The career growth opportunities in network companies were not motivating for outsourced staff, which is the opposite of full-time employees' needs (Jackson & Sirianni, 2009; Coetzee & Stoltz, 2015; Stamolampros et al., 2019, Wang et al., 2020). It seems outsourced ground handling staff did not expect to get specific higher positions while they were part-time employees and hold short term contracts at outsourcing companies.

Thibault-Landry, Schweyer and Whillans (2017) have indicated that "...What really matters in the workplace is helping employees feel appreciated." Similarly, work atmosphere is another component in the managerial factor that is significantly associated with satisfaction. Outsourced ground handling staff emphasized the workplace atmosphere, which includes the supervision style under the work policy, implementation and delegation, and relationships with colleagues. Before tasks begin, the work plan ensures that work shift schedules are appropriately allocated to each outsourcing position. Effective delegation keeps the outsourcing staff happy while maximizing efficiency. As is known, the outsourced staff is an outside generalist used to perform certain tasks traditionally handled in a network organization. They are more satisfied when their complaints are responded to or handled by either a supervisor in the network organization or the outsourcing company. These particular communication channels are critical while working under multiple supervisors. Lastly, to improve relationships, every full-time employee and outsourcing staff could build recognition in their workplace. All types of employee take part in activities to enhance their lives in that community. Furthermore, supervisors should pay attention to staff who demonstrate strong performance or good behavior by creating peer-to-peer recognition programs. Aside from individual reward, management teams could also reward excellent teamwork to strengthen full-time and outsourced staff relationships in the network organizations of the airline industry.

Research Contribution

This study can be differentiated from previous studies in that it focuses on outsourced staff and their satisfaction. It will help organizations to understand the importance of employment contracts and work atmosphere, two key factors in enhancing outsourced ground-handling staff satisfaction. The most prominent issue regarding mutual employment contracts was the provision of continuing education support. Meanwhile, specific career growth opportunities also need to be considered. Finally, communication channels for handling staff complaints are critical when outsourced staff work under multiple supervisors in networked organizations.

Limitations and Future Research

Most of sample work for business enterprises over which the government has significant control through full majority and minority ownership. This conceptual work may guide researchers interested in managerial factors affecting staff in focusing their studies on different types of employment. In-depth interviews and customer observations should be considered to gain insightful responses for comparison purposes.

Ethics committee approval

This study was approved by the Research Ethics Office of Rangsit University.

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