



Workplace Culture and its Impact on Organisational Efficiency

BA (Hons) Leadership and Management Skills for the Workplace

Task 1: Individual Written Report

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Executive Summary

In this research, the organizational culture is critically evaluated along with how it affects Easy Jet Plc.'s effectiveness. The links between organizational structure and culture and how they affect the company's performance in both financial and non-financial areas are examined in the paper. Using PESTEL and Porter's Five Forces models, the research analyses Easy Jet Plc.'s larger environment and identifies the primary forces driving change in operational procedures. The paper outlines the benefits of the company's ethical practices as part of its organizational culture. The paper offers suggestions for Easy Jet Plc. to improve its performance based on its ecological and ethical challenges and explains the proposed measures.

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Introduction

A low-cost carrier called Easy Jet Plc. was founded in 1995. With an inventory of 308 aircraft, it operates 927 flights across 34 nations. The business has a decentralized, innovative and agile culture. In order to maintain high operational efficiency, it places a high priority on passenger security and organizational efficiency and regularly adapts to shifts in work practices. The organizational framework and culture of Easy Jet Plc. will be evaluated in this research together with its effects on financial as well as non-financial results. In addition, it will assess the company's overall environment and identify the primary forces for changing work practices. The report will outline the company's ethical practices and highlight their benefits. Finally, it will offer suggestions for improving Easy Jet Plc.'s performance in light of ethical and environmental issues.

The Effect of organizational culture on productivity

Shared values, beliefs, behaviours and attitudes that influence how an organization operates are referred to as its organizational culture. A culture of creativity, speed and decentralization pervades Easy Jet Plc. To maintain high operational efficiency, the company places a high priority on passenger security and organizational efficiency, and constantly adapts to shifts in work practices.

For Easy Jet Plc. to operate effectively, organizational structure and culture must be in harmony. The organization's decentralized structure promotes employee accountability for their actions while allowing greater decision-making flexibility. This organizational structure supports an innovative and adaptive culture that helps the company maintain high operational efficiency (Tavakoli, 2022).

The financial and non-financial success of Easy Jet Plc. is significantly influenced by its organizational culture. The company can quickly adapt to market developments thanks to its innovative and agile culture. As a result of cost savings and continued high operational efficiency, Easy Jet Plc.'s financial performance has improved as a result. The company's focus on customer and passenger safety also helps maintain a favourable brand reputation and consumer loyalty, which supports its financial success (Takahashi, 2016).

Additionally, the company's culture of decentralization and flexibility helps increase employee happiness and engagement levels. The company's non-financial performance is improved due to increased productivity and improved customer service. The company's emphasis on safety also ensures that its staff are driven to deliver excellent customer service, which contributes to its non-financial success (Schneider, Ehrhart and Macey, 2016).

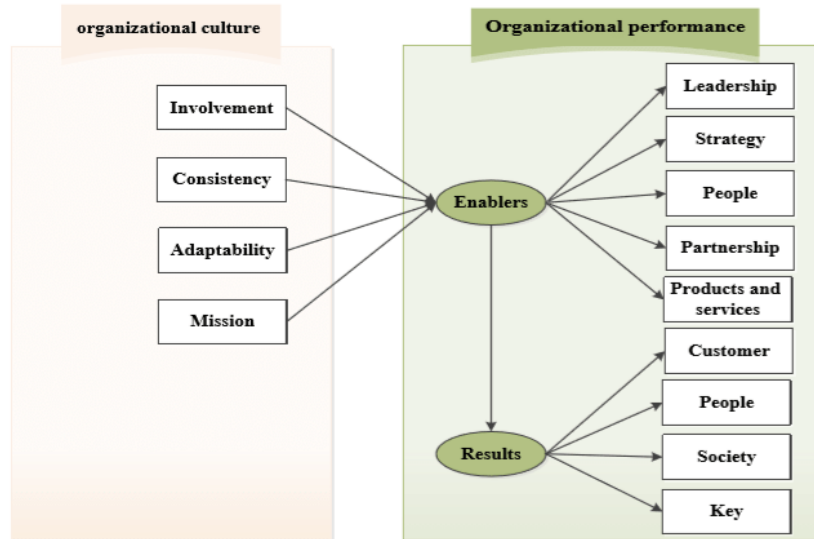


Figure 1: The impact of organizational culture on performance elements.

(Source: Denison, Janovics, Young & Cho Model, 2006)

Evaluation of Easy Jet Plc.'s wider environment

PESTEL Analysis

Political: The climate in which **Easy Jet Limited** does business is largely stable. Regulations relating to environmental protection, safety and security must be complied with by the business, which may increase its running expenses. However, the company has a solid security record, which has enabled it to maintain good relations with authorities.

Easy Jet Plc. must manage political concerns such as government laws on taxation, trade and immigration, in addition to complying with rules relating to safety, security and environmental protection. The operations and profitability of the company could be significantly affected by changes to these policies.

For example, changes to tax laws can make travel more expensive for customers, reducing the need for flights and affecting the company's earnings. Changes in immigration laws can also affect the volume of travellers to and from other nations, which can have an effect on the business's earnings.

In general, **Easy Jet Plc.** must be aware of the political climate in which it does business and be flexible enough to adapt to the times. The corporation has remained successful in the airline market thanks to its ability to maintain a favourable relationship with authorities and stay abreast of changes in government policy (Easy Jet: Annual report and accounts, 2023).

Economic: Economically speaking, Easy Jet Plc. operates in a sector with narrow profit margins. By using cost-cutting strategies and maintaining high operational efficiency, the company was able to maintain its financial success.

In addition, economic changes such as those in consumer spending, interest rates and fuel prices can affect the airline business. Easy Jet Limited has taken steps to reduce these risks by focusing on cost management and deploying fuel efficient solutions. In a market where customers are price sensitive, the company's pricing plan is created to maintain competition. The COVID-19 epidemic has also had a major impact on the aviation industry, reducing demand and disrupting travel habits. It also hurt **Easy Jet Plc.**, but it has taken steps to adjust, such as cutting capacity and introducing safety measures to protect its crew and passengers (Crane et al, 2019).

Social: Easy Jet Plc. has a strong brand reputation, which has contributed to its ability to retain customers. The company's emphasis on environmental sustainability and safety has also helped raise its social status.

Besides environmental sustainability and safety, Easy Jet Plc. is dedicated to social responsibility. The business was also involved in community outreach projects, such as funding charitable causes and educational programs. The company partnered with UNICEF in 2020 to help underprivileged children affected by the pandemic known as COVID-19.

In addition, **Easy Jet Plc.** has been a pioneer in encouraging inclusion and diversity in its workforce. The corporation has adopted rules to ensure equal opportunities for all employees, regardless of colour, gender or other personal characteristics, and has set ambitious goals for growing diversity within its senior management team (Dewi and Riantoputra, 2019).

Overall, **Easy Jet Plc.'s** social responsibility programs have helped the company to establish a good reputation with both customers and staff and to maintain its lead in the airline sector.



Figure 2: PEST analysis easy Jet

(Source: prezi, 2023)

Technical: Technology-wise, the business has made investments to improve customer satisfaction and operational efficiency. For example, it put money into its mobile app and developed digital self-service alternatives for boarding and check-in to give customers a hassle-free travel experience.

Easy Jet Plc. has also made investments in fuel-efficient aircraft to reduce its environmental impact and increase environmental sustainability. Future short-haul flights with electric or hybrid aircraft have also been explored by the corporation. Easy Jet Plc. can showcase its technological prowess and continue to be a market leader by using it to its advantage.

Easy Jet Plc. has also made investments in fuel-efficient aircraft to reduce its environmental impact and increase environmental sustainability. Future short-haul flights with electric or hybrid aircraft have also been explored by the corporation. By using technology, Easy Jet Limited can remain competitive in the market and demonstrate its commitment to long-term viability which is increasingly crucial to customers and authorities.

Environment: Easy Jet Plc. is dedicated to reducing its impact on the environment by purchasing more fuel-efficient aircraft, reducing emissions and using sustainable aviation fuel more frequently. By 2022 and 2035, the corporation wants to reduce its greenhouse gas emissions per customer kilometre by 10% and 60% respectively.

Easy Jet Plc. has implemented a number of other steps to improve its environmental sustainability in addition to lowering its carbon emissions. For example, the business has cut back on single-use plastics on its flights, put in place more efficient waste management techniques and made investments in clean energy sources. Easy Jet's environmental measures have boosted its brand recognition and attracted customers who are becoming more concerned about how travel affects

the environment. A number of medals and certificates for the company's sustainability activities were given in recognition of its environmental efforts.

Legal: Easy Jet Plc. must comply with a number of laws relating to security, safety and employment law. The company has a solid security record that has helped it maintain good relations with authorities. In addition, it has a set of rules of conduct for its workers that explain the proper norms of behaviour.

Easy Jet Plc. must comply with numerous safeguards for customer and data privacy laws in addition to laws governing safety, security, and employment. The company has taken steps to protect consumer information and comply with the EU's General Data Protection Regulation. (GDPR). Legal issues regarding flight delays and cancellations have also been presented to Easy Jet Plc., and these issues may require it to pay compensation for affected passengers. However, the company was able to reduce the negative effects of these legal problems on its reputation thanks to efficient customer service and methods of communication.



Figure 3: Easy Jet to Become First Airline to Offset All Carbon Emissions

(Source: <https://www.bloomberg.com/>, 2023)

Five Forces Model by Porter

Threat of new competitors:

The airline business has high barriers to entry, including hefty capital expenditures, legal requirements and limited access to airport slots. As a result, it is challenging for new competitors to enter the industry.

High barriers to entry in the aviation business, such as the significant capital expenditure required to start and operate an airline, significantly hinder new entrants. It is challenging for newly established airlines to make it to market because of the significant expenses associated with purchasing aircraft, leasing airport infrastructure, servicing and training people, and implementing security measures. The high barriers to entry are further compounded by regulatory constraints, access to airport slots and significant financial needs. Airlines must comply with a number of legal obligations, including those related to air traffic control, environmental protection and safety and security. These rules can be difficult and expensive to follow, further discouraging new competitors (Barbini, Fioretti and Vitali, 2022).

Another important barrier to entry into the airline sector is the availability of airport slots. Airport slots are the designated periods when airlines are allowed to fly in and out of an airport. Airport spaces are often in high demand and can be challenging to secure. It is possible that established airlines are given priority when it comes to airport slots, making it challenging for new competitors to establish a presence in the market.

Because of the high barriers to entry, the risk of new entrants to the airline business is generally modest. However, these obstacles can be reduced through technology developments and regulatory adjustments, which will promote competitiveness in the market (Tavakoli, 2022).

Suppliers' Bargaining Power:

Due to the dominance of the aircraft industry and the scarcity of aviation fuel suppliers, suppliers' bargaining power is exceptionally significant.

The profitability of airlines, especially Easy Jet Plc., is significantly affected by the suppliers' ability to negotiate. Suppliers have a lot of negotiating leverage in the business because there are fewer suppliers of aviation fuel and fewer suppliers of aircraft.

As a result of these circumstances, suppliers may set higher prices for their goods, which may increase operating expenses for airlines. Furthermore, strict terms and restrictions imposed by

suppliers on airlines can reduce their flexibility and increase their dependence on the same suppliers. Easy Jet Plc. has implemented a number of tactics in an attempt to reduce the effects of the strong bargaining position of its suppliers. The company has made investments in aircraft that use less fuel, such as the Airbus A320neo, which lowers fuel costs and improves operational efficiency. In addition, the company has long-term agreements with gasoline suppliers, which provide price stability and reduce the impact of sudden changes in fuel prices. The company has also broadened its pool of suppliers, reducing its dependence on one supplier and increasing its bargaining power (Cousins et al, 2019).

Overall, despite the relatively high bargaining power of suppliers in the aviation sector, Easy Jet Plc. has implemented successful tactics to reduce the impact on the company's financial performance. Despite the problems created by suppliers' bargaining power, the company is able to maintain cost savings and profitability thanks to its focus on energy efficiency, long-term agreements and supplier diversification (Paschal and Nizam, 2016).

Customers' bargaining power:

Customers' bargaining power is significant because of the industry's low-cost structure and a range of substitute options.

Due to a number of variables, consumers have significant negotiating leverage in the airline sector. First, because the industry is low-cost, passengers are price conscious and are more likely to choose the airline with the cheapest prices. Airlines are under pressure to maintain cheap fares and a competitive advantage as a result.

Second, customers have a variety of other options available to them, including shorter-distance vehicles such as cars, trains and buses. So, airlines must give customers a strong incentive to choose flying over other transportation options.

Last but not least, consumers get access to a variety of data and evaluations about airlines and their offerings, which can influence their choice of product. In order to maintain a positive brand reputation and level of customer satisfaction, it makes demands on airlines to maintain high service levels (Porter, 2016).

Overall, the strong purchasing power of the airline sector means that, in order to compete, airlines must always work to improve their offerings and provide value to customers.

Threat of competitors:

The threat of substitutions is modest because there are other transport options such as buses and trains, but long-haul air travel remains the preferred choice.

With the expansion of high-speed train systems, especially in Europe and Asia, the threat of alternatives to air travel has grown. However, due to its simplicity and speed, air travel continues to be the most popular choice for long-distance travel.

However, due to its simplicity and speed, air travel continues to be the most popular choice for long-distance travel. Additionally, the prevalence of low-cost airlines such as Easy Jet Plc. has reduced the danger of alternatives by making air travel more accessible to a wider range of people. Alternative forms of transportation could become more appealing, which could represent a greater danger in the future as environmental concerns about air travel grow.

Competition amongst already-existing rivals:

The airline sector is extremely competitive, with limited revenue margins and a sizeable number of rivals. Easy Jet Plc., however, was able to hold onto a dominant position by implementing cost-cutting strategies and upholding high operating efficiencies.

There are many players and fierce competition among the already-existing competitors in the aviation sector. Price, route network, service to customers, and brand reputation are just a few of the areas where airlines are in direct competition. Due to this competitiveness, there are now ongoing pricing wars, aggressive marketing tactics, and ongoing product and service improvements.

Nevertheless Easy Jet Plc. has been allowed to set itself apart from rivals by implementing cost-cutting strategies such as using secondary airports, operating with just one airplane type, and providing passengers with no-frills services. These tactics have allowed the business to save expenses and provide consumers with lower tickets, making it a well-liked option for travellers on a tight budget (Johnson et al, 2020).

Additionally, the business has maintained high operating efficiencies thanks to a strong innovation culture. A solid foundation of innovation, adaptability, and decentralisation has also helped the organisation retain high operating efficiencies. Because of its increased ability to react swiftly to customer and market demands as well as recessions and crises like the COVID-19 outbreak, Easy Jet has become more resilient (Cole and Martin, 2018).

Overall, Easy Jet Plc. has been allowed to maintain a solid position while enjoying financial success despite the intense rivalry in the airline market by implementing a distinctive business strategy that prioritises cost-saving measures, efficiency in operation, and a customer-focused strategy (Hitt, Ireland and Hoskisson, 2019).

Important Factors behind Workplace Change

Technology developments and environmental sustainability are the primary forces driving change in Easy Jet Plc.'s working practises. The business has made technological investments to enhance customer satisfaction and operational effectiveness. Additionally, it has made a commitment to lessening its impact on the environment by purchasing fuel-efficient aircraft, cutting back on emissions, and using more sustainable aviation fuel. These factors have caused adjustments to working procedures, including the use of environmentally friendly aviation fuel and the deployment of digital self-service choices for check-in and boarding.

Other significant factors influencing change in working practises for Easy Jet Plc. include shifting customer expectations, rising competition, and regulatory obligations. These factors are in addition to technical improvements and environmental sustainability. Customers are demanding a more individualised and smooth travel experience, and the airline sector has always been extremely competitive. New technology and digital solutions have been put into place as a result to enhance the customer experience, such mobile apps, online registration and scheduling, and in-flight entertainment.

The legal requirements for safety, security, and preservation of the environment have also changed Easy Jet Plc.'s operating procedures. Numerous legal criteria must be met by the business, which may raise running expenses. However, the business's emphasis on safety and ecological responsibility has served to boost its reputation in society and preserve its good status with authorities (Masoud, 2017).

Overall, a combination of technical developments, shifting customer demands, increased rivalry, sustainability concerns, and regulatory constraints are the primary forces behind change in Easy Jet Plc.'s working practises. To remain effective and satisfy the evolving needs of its clients, the corporation must adapt and develop its working practises while also taking ethical and environmental issues into account.

Easy Jet Plc.'s ethical practises include the following:

Easy Jet Plc. is firmly committed to using ethical business methods. The organisation has an agreement of behaviour for its staff members, which describes the required norms of behaviour. Additionally, it has no tolerance for corruption and bribery and is dedicated to advancing inclusion and diversity in the workplace. All staff must regularly complete training on ethical procedures, and the organisation has a code of behaviour outlining its ethical standards. Employees at Easy

Jet Plc. can report any ethical issues they may have using a system of anonymity that has been put in place (Konyu-Fogel, 2022).

Recommendations

The following are some areas Easy Jet Plc. could concentrate on in order to perform better:

In order to keep its reputation as a creative and adaptable company, Easy Jet Plc. should increase its expenditures in research and development. This will enable the business to maintain an edge over rivals and boost operational effectiveness.

Accept technological development: To enhance its operational effectiveness and customer experience, the organisation should keep investing in technology. This might entail putting artificial intelligence to use.

Easy Jet Plc. ought to look into ways to change up its source of income, such growing its cargo business or creating new supplementary services. By doing this, the business will be able to rely less on passenger fees and increase its financial stability.

Increase employee engagement: Encourage work-life balance and career development opportunities for employees as a way to encourage employee engagement, according to Easy Jet Plc. To increase output, worker satisfaction, and customer service, Easy Jet Plc. should boost its staff engagement activities. Regular training, surveys, and staff appreciation initiatives can help with this.

Enhance ethical conduct: Easy Jet Plc. should keep encouraging moral conduct by putting in place ongoing training programmes and anonymous reporting mechanisms. In order to make sure that it represents modern moral norms, the corporation ought to examine its code of conduct. As a result of its excellent organisational culture and structure, Easy Jet Plc. has maintained high operational efficiencies and attained financial success. The business operates in an extremely competitive setting, but its emphasis on innovation and cost-cutting initiatives has allowed it to hold a solid position. Additionally, Easy Jet Plc. places a high priority on moral behaviour and environmental responsibility, which has enhanced its reputation in society. The suggestions made in this study will assist Easy Jet Plc. in addressing the ethical and environmental issues it faces and enhancing its overall performance (Lankhuizen and de Groot, 2016).

Conclusion

The culture of inventiveness, agility, and decentralisation that Easy Jet Plc. has overall has enabled it to sustain high efficiency in operations along with financial success. By enhancing brand recognition and increasing customer loyalty, the company's focus on passenger security and the environment also benefits its non-financial performance. For Easy Jet Plc. to operate effectively, organisational structure and culture must be in harmony. The organisation's decentralised structure promotes employee accountability for their actions and increased decision-making flexibility, which supports an innovative and agile culture. The company places a high priority on environmental sustainability and safety, which ensures that its staff members are driven to deliver superior customer service and support its non-financial success. Thirdly, the business has to provide training and development initiatives for staff members to advance their expertise. In order to expand its revenue streams, the corporation should look for chances to develop in new markets.

As a result of its excellent organisational culture, Easy Jet Plc. has maintained high efficiency in operations and attained financial as well as non-financial success. The company may continue to enhance its performance and maintain competitiveness in the fiercely competitive airline sector by putting the suggested initiatives into practise.

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