

*Workplace Culture and its impact on
Organizational Efficiency (BMSW5105)*

Lecturer: Nadeem Mirza

Individual report:

By Magdalena Kovacheva

Student ID- 2030039

EXECUTIVE SUMMARY

This report deals with Easy Jet Plc which is one of the leading low-cost airlines operating in Europe. It covers the relationship between organisational culture and structure of respective organisation along with their impact on financial and non-financial performance. Evaluation of external environment through Pestle and Porters five forces is also discussed. In addition to this, ethical approaches as a part of organisational culture and benefits of it are taken into the consideration. Different environmental and ethical challenges with recommendation to improve performance is discussed in this report.

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INTRODUCTION

Business environment is becoming very competitive so in order to remain in the market for the long term it is very essential for the company to adopt different strategies. Appropriate strategies will assist the organisation to take important decision in an appropriate manner as well as it also assist the business to utilize all the resources in effective which will help the firm to achieve competitive advantage within target market (Kuo and Tsai, 2019). In addition to this, to increase the performance the company should evaluate the culture as well as structure on the regular basis.

Overview of Easy Jet plc.

Easy jet is one of the British multinational low-cost airline groups which is headquartered at London. It provides national as well as international services to its customers. It was established in 1995 and has 308 aircrafts which are operating in 34 countries. The company has a slogan: Come On, lets fly! & The web's favourite airline! which helps the company to attract large number of customers at single period of time. in addition to this, EasyJet's business strategy is to offer low-cost air travel to customers while still offering a variety of services like online check-in, assigned seating, and in-flight refreshments. EasyJet is renowned for its dependable service; affordable rates and it is well-liked option for both pleasure and business visitors throughout Europe and beyond because of practical routes and its services. EasyJet has various steps to lessen its influence on the environment, such as investing in more fuel-efficient aircraft and investigating the use of sustainable aviation fuels.

The relationship of organisational culture and structure of Easy jet and how these impact on achieving financial and non-financial performance.

Organisational culture refers to the beliefs, behaviors, shared values and practises that assist the organisation to achieve in an appropriate manner. In addition to this, the communication, decision-making process, leadership and overall effectiveness are all impacted by organisational culture. It can be characterised by different aspects such as the organization's mission, attitudes of the workforce, style of management and traditions. Along with this employee engagement, productivity, and overall success can all rise as a result of a strong, good organisational culture.

The formal hierarchy of power, division of labour, channels of communication that exists within an organisation can be referred to as organisational structure. It states the division and coordination of responsibilities as well as the flow of information between various levels and departments (Alblooshi, Shamsuzzaman and Haridy, 2021). An organization's structure can have an effect on its effectiveness, decision-making, and overall performance. Organizational structure is influenced by factors like size, complexity, culture, and strategy.

The success of EasyJet depends heavily on its organisational culture and structure. EasyJet's organisational culture is centered on offering passengers low-cost air travel while also offering a variety of amenities. The company's organisational culture reflects the company's objective, which is to make air travel affordable for a variety of clients. In addition to this, the airline has a small number of hierarchical levels and a structure that is hierarchical. With the help of this timely decisions can be made and there is good communication throughout the organisation.

Environmental sustainability is one area which reflects organisational culture and structure. The company has given more concentration on building good as well as long term relationship with suppliers. The company is making efforts to redefine a new organizational structure to improve performance, inspire and motivate employees to perform productively (Scaliza and et. Al., 2022).

The culture and organisational structure of EasyJet are created to serve the company's purpose of offering inexpensive air travel to a variety of clients. Both the financial and non-financial performance of EasyJet are significantly influenced by the organization's culture and structure which are discussed below:

- Financial performance can be significantly impacted by organisational culture. Increased staff engagement, productivity, and customer satisfaction may all be attributed to a positive company culture, which in turn can boost sales and profitability.
- The organisational structure of EasyJet significantly affects the financial performance of the business. The airline has hierarchical organisational structure as the company believes in decentralization. EasyJet has been able to quickly adapt its operations in respect to shifts in demand or competition which has allowed the airline to remain flexible and responsive to shifting market conditions. The company also evaluates its performance in virtual working environment and adopt suitable changes.
- Organizational culture and structure can have an impact on non-financial performance and financial performance. The structure and culture of EasyJet have helped the airline succeed in a variety of areas. The airline places a significant priority on offering a high-quality customer experience and strong emphasis on customer satisfaction.

The financial and non-financial performance have been significantly impacted by EasyJet's organisational culture and structure. It is one of the Europe's low-cost carriers which give more focus on customer experience. The company believes more in decentralisation the power so that important task can be carried out in an appropriate manner. In addition to this, the company also focus on long term strategic partnerships with key operators and authorities. The company also focus on adopting suitable changes in working practices so that they can continue its operation. Along with this, Easy Jet also give more focus on providing customers with different amenities so that they can attract large number of customers.

PESTLE Analysis

It is a framework which analyze six different external factors of environment which can influence the functioning of company. It is used by the firm in order evaluate the environment of business in which firm has to operate its activities. It helps the management team to analyze the market and make changes in operating activities of company for purpose of achieving success in the current marketplace.

- **Political factor:** - It refers to the factors which is influenced by change in the policies and rules of government which can create both positive and negative impact on the working of company. The European government is stable which creates good impact on the performance of firm. Along with this the government grant permission to the airline industry for purchasing aircrafts which helps Easy Jet Plc to enhance their sale by providing quality services to the customers (Singh and et.al, 2022).
- **Economic factor:** - It can be defined as the factors which creates impact on the economic growth of company from which the profit of company can be enhanced as well as diminished. The global recession in the country impacted the sale of company at large scale due to excessive increase in the fuel rate. Increase in the rate has decreased the operating number of flights in various routes which affected the profit margin of company. Due increase in the operating cost of flights has increased the price of tickets which lead to decrease in the rate of the passenger travelling.
- **Social factor:** This refers to the factors of society such as their taste, needs, preferences, and attitudes which can influence the activities of organization. The company is focusing on fulfilling the needs of people by providing them various services which satisfies the consumer at great extent. Easy Jet Plc is providing the low-cost fare to the audience as the consumers gets happy with the reasonable charges. The management of aviation has increased the route of flying at various areas where there is no availability of flight. It increases the brand image in the marketplace, they are operating activities and make it easier for the organization to compete over its competitors.
- **Technological:** - Those are factors which have ability to influence the process of business. Easy Jet Plc is enhancing the technology with particular period of time, which creates positive impact on the functioning of firm. The website of the company has made it easier for the customers to book the flights by clicking at their home. It also assists consumers to acquire information about the company fare rates and operating routes of

flights which has satisfies the base of customer. The satisfaction of employees has created good brand image of company in the existing market which has attracted large number of audiences towards their services.

- **Environmental factor:** - It can be defined as factor such as climate change, geographical location, natural resources, environmental laws, and weather conditions that affect the sale of company. In context to Easy Jet Plc, the company is following the emissions trading scheme for contributing with the environment so that its activities don't harm theatmosphere in which they are operating its activities. The firm is developing hydrogen enginetechnology which will handle the aircraft of easy jet. The idea of hydrogen emits the zero carbon emissions and italso reduce the non co2 effect of aviation.
- **Legal factor:** -It refers to the factors which influenced by the change or adoption of policies, procedures of the community which creates impact on the profit margin of company both positively and negatively as it depends upon the change implemented. The employment law imposed by the government creates impact on the structure of business as they must impose various strategies and rules which satisfies the employees (Chaib Lababidi, and.et.al, 2020). The law protects the employees by setting the rules for wages, workplace safety, discrimination, termination which satisfies the workforce. The CAA charges charged by the government for take-off and landing makes it difficult to find suitable airport. This creates negative impact on the working of company.

Porters Five forces model

- **Threat of new entrance:** -It is considered as important aspect as it gives firm the information about the competitors who are not currently working in the market but has ability to operate its activities in the marketplace. In context to Jet Easy Plc, the company is facing low pressure of the new entrance as it requires lot of investment for operating the activities in the aviation industry. Along with this the high brand image of company makes it difficult for other to compete in the highly competitive market. The new companies need to spend lots of expenses on the advertising to interact audience. So, there is low threat of new entrance faces by the company.
- **Competitor rivalry:** -It refers to measurement of the ability of other company in the same field which can cause effect on the working of company. The company is facing high pressure of competition because there are various competitors available in the market. The competitors have ability to attract the customers of Easy Jet by modifying its services which can cause high impact on them. So, to maintain their brand image, the company has to retain its customers by providing high quality of services at reasonable price.
- **Bargain power of suppliers:** - It refers to the ability of the suppliers to give pressure to the organization by providing the products needed to company at high rate. The bargaining power of suppliers are high in aviation market as there are less number of suppliers in the market who can provide quality products to the airline industry and it is very important for firm to use high quality products in order to satisfy the base of customer (Wang and Gao, 2021). As the company must use the aircraft which contributes to the environment, so the suppliers manufacture the new technique aircraft which are provided by the suppliers in high cost. So, it can be said that the company have high power of suppliers.
- **Bargaining power of customer:** - The bargaining power refers to the pressure which the consumers of the company can put on the firm in order to provide them high quality of services in lower prices. The bargaining power of customers is low in the Easy Jet Plc as to switch to the other company is relatively difficult due to the operating routes of flights by the company and the cost of flying which is low as compared to the other companies. The company work with several airline companies in order to provide best services to its consumers. So switching cost of consumer is low which gives less pressure to the company.

- **Threat of substitutes services:** - It refers to the availability of similar products and services in the market which can align the consumer towards the commodities and services of others. In relation to Easy Jet Plc, the firm is facing moderate threat of substitutes as the company is known for less fare prices provide to the base of customer. The buyers seek to use the services of the company which has good brand image due to its securities policies of passenger as compared to the other companies.

Ethical approaches used by Easy Jet Plc

Easy Jet company is considered as the ethical and socially responsible employer as the firm respect the human rights. The ethical approaches used by the company are given below:

- **Privacy and security of personal data:** - The company is well known for maintain the privacy of consumer as well as for employees as they have installed cyber security which ensures that the data of the human are secured and doesn't get leak. The company have also appointed group data protection officer which has helped company to maintain its brand image as it satisfies the human resource and base of its customers (Winch, 2020). The policy shows the commitment of the company in fairly protecting the data in lawful way and it sets out the right of employees to maintain the data of consumers while comply with it.
- **Safety:** - The company focuses on the maintain the safety of both the consumers and the employees working with the firm, as safety is the first most important aspect in aviation industry as it is needed to be taken into consideration. The firm perform their job while keeping high focus on it as it can impact the life of peoples. The assets of the company are maintained properly as it can impact the working of firm.
- **Supporting labour rights:** - The company is complying with labour rights of its each employee as they focus on eliminating discrimination while working in the firm and act equally with every employee. Easy Jet Plc provides equal rights to workforce in order to maintain equality in the firm which satisfies the human resources of company. They don't believe in forcing the employees to work in the organization as they set the workers free to do the work they want to.
- **Maintaining Financial record:** - The company record fully and accurately the financial data of working as there is no doubt in the future. In order to maintain the financial position Easy Jet Plc uses various techniques to record accurate data on specific period so that there is no cause and conflict in the firm related to finance of company. The separate department of finance ensures that the records are accurate and are fairly record and secure the data to reduce the chances of leakages. In case of any doubt, they are free to take advice from the finance director who is responsible for the financial record of organization.

Recommendations

Easy Jet Plc is facing the problem of high competition in the market they are operating which cause huge impact on company if it's not taken into consideration by the organization. The high bargaining power of supplies in market is the main concern, which increases the expenses of firm. The recession period has decrease the revenue of the easy Jet airway as the price of the oil has excessively increased which has increased the operating cost of company. It leads to increase in the fair price of company, which has affected the sale, and profit of company. The company has to comply with laws, which protect the right of the employees. Along with this, the company is also facing accidental leakages of data. The company is using various techniques to protect the environment but they need to develop various other ways, which contributes to the environment. Given below is some of the recommendation, which the Jet Airways should take into consideration: -

- **Strengthen public confidence:** - The Company should focus on strengthening the confidence of its consumer so that the passengers of the company are willing to travel again. It is important to communicate with passenger as it comforts them by providing them knowledge about the company's safety measures. It will strengthen the confidence of passenger and will build loyalty in the consumer towards the company.
- **Modification of safety policies:** - The firm should regularly monitor the safety policies of company and make changes in the policies by as per the need and demand of the situation. The alteration of safety policies will reduce the risk of any accidents in the company, which can create huge impact on the company.
- **Technique to reduce price of fare:** - The firm should modify their aircrafts in such a way that it reduce the cost of fair. The can increase the number of seats in the aircraft and reduce the premium class so that various modification can be done in company which will increase the revenue of company by decreasing the operation cost.
- **Training to employees:** - There should be proper training given to each employee on the regular bases so that the employees can enhance their skills and abilities. This will create good impact on the performance of employees as the workforce ill perform with new skills. It will also protect the data of consumers as there are handled by trained employees.
- **Use passenger health locator tool:** - The firm should use the health locator technique in order to review the health of each and every passenger as it will decrease the chances of any incident which can create impact on the brand image of company.

CONCLUSION

From the above report it can be concluded that workplace culture plays very important role in working of company effectively and efficiently. The culture of organization can influence the activities of firm as the culture is the workplace influences the workers of firm. Its good culture of firm creates positive impact on the organization as it develops the feeling of belongingness in the workforce which motivates and inspires the staff to work with hard work. On the other hand, the negative culture can impact the firm as it will create conflicts between the departments. So, it will become difficult for firm to retain their talented employees as workforce is considered as assets of the company which competitors cannot imitate.

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