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**Report**

**A Strategic Change Plan**

## Contents

|                                                                                                                                            |    |
|--------------------------------------------------------------------------------------------------------------------------------------------|----|
| Contents .....                                                                                                                             | 1  |
| 1. Introduction .....                                                                                                                      | 2  |
| 2. Core Products and Services.....                                                                                                         | 3  |
| 3. Recent history of the British Airways .....                                                                                             | 3  |
| 4. How External and Internal Environmental Change Impact the British Airways.....                                                          | 4  |
| 5. Pestle analyses.....                                                                                                                    | 5  |
| 6. Internal factor of British Airways .....                                                                                                | 8  |
| 6.1 Swot analyses.....                                                                                                                     | 8  |
| 7. Internal and external environment Changes including digital disruption, On-line shopping, AI that impacted on the British Airways. .... | 11 |
| 7.1 AI is redefining success.....                                                                                                          | 12 |
| 7.2 Digital disruption British airways.....                                                                                                | 12 |
| 8. Evaluates change management models.....                                                                                                 | 13 |
| 9. Lewin's Three-Step Model of British Airways.....                                                                                        | 14 |
| 10. Kotter's 8-Step Model.....                                                                                                             | 15 |
| 11. How the change was managed and how leadership played a role therein by applying a leadership style or approach .....                   | 16 |
| 12. The impact of organisational culture on the change management programme at British Airways .....                                       | 17 |
| Conclusion .....                                                                                                                           | 18 |
| 13. References.....                                                                                                                        | 19 |

## **1. Introduction**

British Airways (PLC), a British airline, was founded in April 1974 from the merger of British Overseas Airways Corporation (BOAC), which provides international air connections that go beyond the ocean, formed in 1939), British European Airways (BEA, formed in 1946) and its associated companies. This company has belonged to the government since its foundation and was only taken over by a private company in 1987. Its main subsidiaries include BA City Flyer, which serves destinations in the United Kingdom and continental Europe, and Open Skies, which connects Paris to New York. It has its main headquarters in Harmondsworth in the London borough of Hillingdon, which is in the Heathrow Airport.

## **2. Core Products and Services**

British Airways main services and products are structured around a cabin system comprised of different classes, and its global flight network is centred in London Heathrow airport and with others support travel services, it operates as a full-service global airline, offering a wide range of international and domestic air transport services for passengers and cargo, connecting to over 200 destinations in approximately 65 countries.

## **3. Recent history of the British Airways**

The airline industry in this currently century is a mature and difficult business to manage, because there are many airlines on different continents, and this aviation sector presents both risks and opportunities for airlines and multinationals like British Airways.

The evolution of globalization has limited these companies is opportunities for expansion, market share growth, and profit optimization, this means that competitive pressure in this sector has grown rapidly in this current century due to market noncompliance, in this case the British Airways faces strong competitive pressure from some traditional airlines like Virgin Atlantic, Lufthansa, and Delta Airlines, especially from very low-cost airlines like EasyJet, Ryanair, easyJet, and Jet2. These low-cost carriers are causing problems for British Airways, However, British Airways has maintained its competitiveness in the global airline industry through its strong investment, safe and reliable operations, high-cost competitiveness, and environmental profitability plans to improve its customers and employees (British airways, 2025).

**Technology solutions-** The airline president and CEO, Sean Doyle, stated at the Future Travel Experience World Innovation Summit in Pittsburgh that artificial intelligence, its predictions, and the way it optimizes and uses machine learning are what shape the company performance and execution, making it a key part of ensuring that customers reach their destinations without any delays to their travel plans, today, all areas of British Airways are using this cutting-edge technology, which has significantly increased the number of flights, British Airways achieved flight numbers in just one quarter that exceeded 90% of the expected departures, with a schedule of 38 to 89 days for flight operations.

#### **4. How External and Internal Environmental Change Impact the British Airways**

Speaking of the aviation sector, which is one of the sectors that the government tries to control through both national and international regulations, these government-imposed regulations can have a significant impact on how the aviation sector, particularly British Airways, operates and on its operational costs, this can include labour laws, safety regulations, and environmental regulations.

In this pestle analyses the researcher will explain everything that can affect the company internally and externally, any type of tax change by the government will affect the company in general, especially in the wage sector, therefore, at this moment leaders must motivate their workers and ensure that they do not feel negatively affected by the new fiscal law enacted by the government, PESTLE analysis in this sector of the airline industry allows to understand and provide a lot of information related to these factors, through this PESTLE analysis, the researcher will explain how these factors can affect the way a company manage the business, these external factors include political, economic, social, technological, environmental, and legal, therefore, it is necessary to understand these factors first to know the external factors are very important for an airline industry, the airline industry is a very competitive sector nowadays, and these factors can sometimes affect a company is capacity to compete in the market due to external problems in the country.

## 5. Pestle analyses

**Political Factors Affecting British Airways-** In terms of external factors there are always various political factors that can affect British Airways, there are also cases where managers with foresight are aware of the impact that political changes can have on the company and taking steps to avoid or prepare for such impacts always helps the company be prepared for the future and know how to deal with any political problems that may affect it, any airline when it comes to political changes, can be affected any others companies, for example when there a war in a country where certain international flights are not allowed to landing, this can affects the airline which receives sanctions from the war-torn country, for instance, Russia prohibited many European countries from operating in Russian airspace, and with Russia is negative intervention in British Airways flights due to political reasons, there has been a significant drop in the British Airways market, because before these political problems, British Airways used Russian airspace for other routes, but since Russia has not allowed the use of its airspace, British Airways is increase higher operating costs( Pestle Analyses team, 2025).

**Economic Factor-** The period which British Airways lost the most money was during the COVID-19 pandemic at the beginning of 2020, because the lockdowns imposed by the national government caused a negative drop in the British Airways economy.

During this same period British Airways suffered many losses, the reasons behind this was the high fuel prices caused by the problem affecting almost the entire world, and the lack of passengers, as nobody wanted to travel because of the government-imposed restrictions, this made the airline sector difficult and it was not just British Airways that suffered losses due to this problem, but the entire airline industry, high fuel prices are also related to the loss of money for British Airways because they directly affect the company, around 2016, fuel prices had undergone changes and price drops, causing British Airways to have more profit, over 65%, compared to the time of Covid and in the Covid period British Airways had a lost of over 6.4 billion pounds in just one year, and the two main reasons are the high fuel prices and the drop in passengers.

**Socio-Cultural Factors-** This factor is also very important because consumers are the key to make the company is economy to growing, but first the company must know the choices of its consumers and make sure that consumers are aware of its changes, because we are in an world where everything is becoming very expensive in terms of prices, therefore it is very important for the company to put its consumers first, because anyone who wants to travel is always concerned about the price of tickets and other things they will need during the trip. There are also cheap things that always attract consumers and that is another important factor and are other comforts inside the plane that customers can enjoy it, this is all because there are other low-cost companies that are always competing with other high-cost companies, that why British Airways has invested heavily in its aircraft for the comfort of is customers.

**Technological Factors-** British Airways years ago did not have cutting-edge technology to collect customer feedback after flights but now they have invested heavily in new technologies that reduce costs in data collection and make customers feel even closer to the company, and important to know that technology is very important because is one of the tools that allows companies to achieve profitable growth far beyond what was planned, they are also working to obtain more information on fuel programs to achieve better performance, and if this program is successful it will be a great step for the airline industry, especially British Airways in the future, also with the help of the internet everything becomes easier for most companies because of the advertisements and promotions that reach customers quickly, this makes life easier for consumers and facilitates their connection with the company, because British Airways always thinks about its customers, it launched a website where customers can make reservations and bookings and access other benefits to ensure that customers feel satisfied and special to the company.

**Legal Factors-** Normally any company must follow the laws and there are also laws that can affect the company in a positive and negative way, that is why all companies have to follow the rules of any country they frequent otherwise they can be sanctioned by the local government, and this can have negative consequences and damage the company's reputation, because of broken rules governments have created laws that will not allow airlines to violate any rules, the company also has its own laws which are sometimes in benefit the customers, for example, in cancellations flight by the company, but this sometimes does not happen because it can make the company to lose a lot of money and this was happened in 2020 during the COVID-19 pandemic time where the company refused to make refunds and then the case went to court, however many companies when they take them to the court and their reputation can be damage.

**Environmental Factors-** In 2025, flights had increased due to many reasons, such as customer demand and the growth of other airlines, which made the environmental impact a problem for authorities across the country, British Airways as is known worldwide because of its partnerships and revenue throughout the year, does its best not to damage its brand and it demonstrating its responsibility for environmental care, that is why they use sustainable fuel to reduce pollution, significantly reducing emissions by about 80%. British Airways and its subsidiary IAG have made a significant contribution to the importance of carbon emissions, with positive results, IAG has the Flightpath Net Zero program, which aims to achieve zero carbon emissions by 2050.

## 6. Internal factor of British Airways

### 6.1 Swot analyses

#### Strengths

**Strong brand and reputation-** British Airways is typically famous and known for its brand and has a long history known worldwide, it is a UK airline, and its reputation for quality service and reliability is known everywhere and these services help attract high-quality business and leisure for travellers.

**Extensive route network-** British Airways always operates a wide range of domestic flights, as well as short and long-distance flights to over 180 countries, this extensive network allows the airline to offer convenient and efficient connections and destinations to its customers.

**Member of the Oneworld alliance-** As a founding member of the Oneworld airline alliance, British Airways benefits from cooperation through partnerships with other airlines and global leaders, through this alliance, BA offers more destinations and more benefits to its customers, such as redeeming points on ticket purchases and some airline products.

**Modern and diverse fleet-** British Airways operates a diverse fleet of aircraft, which may include models with very low fuel consumption, such as the Boeing 787 Dreamliner and the Airbus A350, these types of modern aircraft help the airline to have very low operating costs, reduce environmental pollution, and offer a much more comfortable experience to its passengers.

## **Weaknesses**

**Dependence on the UK market-** British Airways has a very strong dependence on the UK market, making it sensitive to economic fluctuations and changes in consumer demand, any crisis in the British economy or changes in travel systems can have a very negative impact on British Airways business.

**High operating costs-** As an old and traditional airline, it may face very high operating costs, including expenses such as labour, maintenance, and airport fees, these costs can create significant difficulties in competing with companies that have very low operating costs, causing British Airways to lose money and competitiveness in the market.

**Labor relations-** British Airways has faced labour disputes and numerous strikes in the past, and these are other factors that can affect and result in problems and disruptions to operations, even damaging the company's reputation, maintaining a good collaboration with other airlines is very important because it can contribute to positive operations, which is crucial for the airline to ensure smooth operations and customer satisfaction.

**Impact of external factors-** there are factors beyond the company's control, such as rising fuel prices, among others, that can negatively impact the airline's profitability and operational stability (The strategy story, 2025).

## **Opportunities**

### **Expansion in emerging markets:**

The growth opportunities in foreign markets help British Airways grow, which is why British Airways can leverage these markets to explore and grow, these markets include Africa, Asia, and Latin America, because these markets are showing demand for travel to different destinations, carrying new routes and partnerships in these regions can lead to increased revenue for British Airways, reducing its dependence on the UK market.

**Strengthening partnerships and alliances-** British Airways can further leverage its existing participation in the Oneworld alliance by seeking direct and strategic partnerships with other airlines interested in expanding its network and sharing resources to improve the services offered, this could help the airline offer better flight connections, which could increase and facilitate full market access and improve cost efficiency.

**Focus on digital transformation and innovation-** By investing in digital transformation to improve its online booking platform, with a mobile application function and to help analyse most data for personalization, British Airways can achieve an improved and positive customer experience, maximize operations, and increase revenue.

**Improving customer service and loyalty-** In any airline, investing in employee training is very important for the company is development, because it can help the company solve some problems that may affect not only the company but also its collaborators , and through this training the company can achieve the goals with the aim of helping customers and can also help the company strengthen its reputation.

### **Threats**

**Intense competition-** The competition that British Airways is facing today is very strong because there are many other low-cost airlines like Ryanair, easyJet, jet2 and other types of transport such as international trains that are putting pressure on and causing airline sector prices to drop significantly, this type of competition causes profits in the market to decrease for British Airways and lost a lot of money.

**Economic fluctuations and geopolitical uncertainties-** As we know, the aviation sector is affected by conditions that can impact the global economy, especially when many countries are experiencing political problems or wars, this is where the sensitivity of the aviation sector becomes apparent, this airline sector is affected more than other transport sectors because these problems of political instability also affect populations in their search for travel, and this can have a significant impact on British Airways.

**Regulatory Changes and Compliance-** this airline sector when faced any regulations from local or foreign countries regarding environmental standards, the protection and safety of populations, will have a significant impact and many challenges, this is because the rules imposed by the authorities will cause operational costs for airlines to increase considerably.

**Fuel Price Volatility-** In this airline sector, fuel costs are known to be very high even without a global crisis, Price fluctuations can negatively affect airlines like British Airways, these high costs due to price increases negatively impact profitability and if this happens British Airways may face problems with suppliers, causing fuel prices to rise significantly.

## **7. Internal and external environment Changes including digital disruption, On-line shopping, AI that impacted on the British Airways.**

The high-quality technology introduced as part of British Airways' nearly £7 billion transformation investment program has allowed the airline to ramp up its operational performance to record levels. British Airways Chairman and CEO Sean Doyle said at the Future Travel Experience World Innovation Summit in Pittsburgh that AI, estimation, optimization, and machine learning are transforming British Airways operational performance and have become a fundamental and integral part of ensuring customers travel to where they need to go without delays to their travel plans, almost all British Airways airlines now use this cutting-edge technology, resulting in a rapid increase in the number of flights departing without delays and even leaving minutes ahead of schedule (According to British Airways.com).

Through the introduction of artificial intelligence (AI), British Airways has managed to reduce flight cancellations and delays. The airline made a major revelation that this recent introduction of AI has resulted in significantly improved flight punctuality after many years marked by chaos and operational problems.

According to data and information provided by British Airways, approximately 86% of most of its flights departing from Heathrow were on schedule during the first quarter of 2025, a considerable and notable improvement of the introduction of AI, these improvements only occurred after the company invested over £100 million in new AI technologies in operational resilience, which included new AI technology, and hired more than 600 employees at Heathrow Airport.

### **7.1 AI is redefining success**

Through the publication and dissemination that British Airways has publicized, and through the deep and widespread introduction of AI, it presents a significant advancement in most airlines today and may be the key to success for any organization, and any company can make significant progress in adopting new artificial intelligence technologies and these new AI technologies are increasingly transforming and further developing customer experiences when purchasing any British Airways product or service. Because of this shift in integration and the introduction of AI, customers will experience ease and improvement thanks to AI in almost all services and products, with 24/7 customer support.

### **7.2 Digital disruption British airways**

**Speed and Efficiency-** These new automated systems, AI/ML and blockchain have facilitated the compensation processes of British Airways, these processes years ago were very slow in their processing but now are being developed resolved very quickly.

And with these new technologies it becomes more than 80% in terms of stiffness in processing than the old methods that were used manually.

**Cost Reduction-** With these new automated processing systems British Airways do not need a many people to work, but now with these new systems the compensation processes will be much less than before, only through these new systems British Airways saves many millions annually in labour costs.

## **8. Evaluates change management models**

British Airways is a great example of how change can be managed and can also be linked to Lewin's Three-Step Model, because British Airways had faced a major crisis in management a few decades ago, but this was only truly overcome with the changes they made, but it was only decades later, when Colin Marshall was leading the company, that it became one of the most profitable through the changes he implemented, is happens through changes introduced by the leader, and from then on British Airways began training its employees to try to change how they behaved and in this process of change there were conflicts between some departments that arose from a lack of trust between employees, but they managed to overcome these conflicts and then began to make changes to their work policies, and then they began to see the qualities of the employees and it was through the qualities of the employees that they began to offer the position for them to perform, and they could only receive extra bonuses from the company if they reached the target. From there, the employees began to adapt to the changes made by the company and subsequently began to see positive changes and results because the employees had already adapted to the new company culture.

The researcher will explain the Kurt Lewin's model, and this model for change management divided into three parts: unfreeze, change, and freeze, and how it works.

### 9. Lewin's Three-Step Model of British Airways

| Step       | Description/ Clarification                                                                                                                                                                                                                                                                                                                                              |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1-Unfreeze | At this stage it is necessary to show why these changes need to be made, the reason for this must be clear, and the lack of management causes:<br>Delays in the communication process to become more frequent.<br>Many flights delays.<br>Loss of money in compensation for delayed flights.<br>Loss of luggage.<br>Manual process handling by custom-er and employees; |
| 2-Change   | Provide sufficient time to reflect on changes; Receive training and development.<br>Invest in artificial intelligence; Increase the number of employees; Receive a bonus at the end of the training.                                                                                                                                                                    |
| 3-Freeze   | At this stage, the change must be implemented in a way that will be normal tasks for the company's employees.<br>Find out how the change will be managed.<br>Always keep an eye on the changes implemented by the company so that everyone can follow the rules set by the company, and when the changes are successful we should celebrate that change                 |

## 10. Kotter's 8-Step Model

**2. Create a coalition-** The important thing at this stage is that the professional managing change at British Airways, in any case, needs to have a well-trained and influential team that is well-prepared and aware that if any initiative arises, they will be ready for change and also teamwork also helps with the progress of any changes within the company.

**3. Develop a clear vision-** Having a vision and strategy is very important for any company that why British Airways is a successful company today because it has leaders and a CEO with vision, and this also greatly influences and has a significant impact on the employees, when a company has people with a vision for success, it ensures the team is well-prepared for the future.

**4. Share the vision-** in this stage is all about creating a vision that will guide the efforts and help drive change, it through this vision that the company will know how it will benefit, and if the vision is well-planned, it will also lead to a positive transformation.

**5. Empower people to clear obstacles-** at this phase where is possible to identify problems that may affect the company is development and progress, In the case of some employees are affected by certain changes due to company culture, these are obstacles that can prevent leaders from moving forward, but they need to be convinced or removed peacefully, after leaders can manage to convince these employees to accept the changes, when they are no longer obstacles, and then leaders can create an environment that can help the company is development which will be achieved through dedication and hard work.

**6. Secure short-term wins-** When company achieves a positive milestone in a short period of time through plans made in the past, British Airways always gain more trust from its employees and tries to communicate openly to celebrate achievements and express gratitude for the positive impact they have had, so that it can continue to effort.

**7. Consolidate and keep moving-** At this stage, victories cannot be declared so early because it will cause collaborators to reduce their efforts, therefore, not declaring victory so early allows the company to achieve its goal, when they focus on the objectives leaders will have opportunities to identify the next obstacles that may arise throughout the project.

**8. Anchor the change-** At this stage, the company has to show that the changes are already being introduced in the company and that these changes will help the company to be more successful and achieve its objective, all these changes at British Airways are the introduction of digital transformation, AI, values and others that can help the company.

### **11. How the change was managed and how leadership played a role therein by applying a leadership style or approach**

British Airways during the COVID-19 pandemic, between 2019 and 2020, appointed of Sean Doyle as the company's new CEO, at the time the company was facing significant challenges due to the pandemic, however, his vision and approach to leadership were extraordinary, characterized by:

Visionary Strategic Direction- In the same year that he became CEO, he envisioned a transformation, investing approximately £7 billion – the largest investment since the company was founding and implementing nearly 600,000 change programs and positive initiatives that transformed the company into what it is today, these programs, presented by the CEO, demonstrate that sometimes changes are made for the good of the company and will shape its future.

British Airways employs a type of leadership where employees adapt on a case-by-case basis, with the understanding that teams will have to adapt to changes made by the CEO, this complex approach by the company allows them to recognize different situations and expect an appropriate response, in another case, regarding Safety Critical operations, British Airways, through these changes, manages to maintain its leadership in flight maintenance.

## **12. The impact of organisational culture on the change management programme at British Airways**

Organizational culture is very important to British Airways because it helps define its beliefs and values, and even how employees should behave in the workplace, it also helps the organization achieve its goals and fosters teamwork and harmony, which is good for the company, British Airways always has a well-structured culture that is prepared for any internal or external changes and organizational culture has a significant impact on change management in several ways:

**Resistance to change-** The company needs to encourage its employees to embrace the changes that will be introduced, and the biggest problem with change is sometimes the introduction of new technologies, and the communication are others problem can impact the company, some change will need the strong leadership to deal with employees.

## **Conclusion**

British Airways has always been a company famous because of his reputation for managing its employees in difficult times, and this research shows everything about how the airline industry works especially British Airways, which is the best airline company in the United Kingdom with many years of operation, this research is another experience gained by the researcher and helped the researcher to understand the airline industry and especially how management works internally and externally within the company, and the researcher learned many things that will help to develop knowledge in the future.

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