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BA Leadership and Management skills for the Workplace

Workplace Culture and its impact on Organisational Efficiency/BMSW 5105

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Executive Summary

The key points in this report are mainly EasyJet's workplace culture. I have used two different analyses to analyse the external and internal factors that influence the development of the company and the WEB model that shows the strength, structure, and system of work in the organisation. I conclude the report by giving some recommendations to EasyJet on how to deal with the areas in which, in my opinion, it still needs to work in order to be an increasingly sought-after low-cost airline.

Introduction:

In this report, I will describe the workplace culture and impact of organisation in EasyJet Plc. The report focuses on "EasyJet Organisational culture and the performance of the company", The business Environmental analysis tools and External Environmental analysis" on "Industry analysis and Organisational culture" and at the end report finishes with "Ethical dilemma of EasyJet Plc organisation and the Recommendations made from me to the company.

I will start with definition of what workplace culture is. As we learned in class, workplace culture is shared beliefs and values as well as attitudes and behaviours in the work environment that shape the overall work environment within an organisation. The way we do things!

Workplace culture is critical to the success and growth of an organisation.

A positive culture encourages the good work of its employees and their satisfaction with the work they do and also their loyalty, which in turn increases their productivity and effectiveness for the organisation. (Bloznalis, S.2023).

EasyJet PLC is a low-cost European airline organisation. The company has an important presence in the main airports in Europe and serves around 1,100 routes in 35 countries and 153 airports. EasyJet PLC is one of Europe's largest airlines, seamlessly connecting Europe with "the warmest welcome in the sky". The company also offers various vacation packages to its customers, encouraging them to choose them as a company and travel more with it. (EasyJetCompany,2023).

EasyJet Plc Organisational culture and performance

The workplace culture for the company is that EasyJet PLC believe there is no need for unnecessary levels of strict management. Anyone with a positive mind is welcome in the

company. According to the organization they provide a very good approach to their team and from which all the company's workers can benefit. EasyJet PLC promotes teamwork for a successful and growing business. ([EasyJet,2023](#)).

In fact, the company's vision is clear and precise. According to the EasyJet PLC, the vision statement should clearly represent the essence and concept of the business and its future plans and to help the stakeholders to clearly understand the business strategy of the organisation.

Artifacts can be said to be the tangible and visible aspects of a EasyJet PLC's organizational culture. Examples of artifacts are an open-door policy and a formal dress code for its employees. Artifact EasyJet PLC cultures are easily discernible but equally difficult to interpret from the outside world. ([Harry,2020](#)).

The company's organisational culture ensures a well-aligned goal with the wider organization, that all employees share a common goal, and it is for the good.

Agreed behaviour, goals and philosophy allow the EasyJet PLC's employees to direct their efforts in the right direction and ensure the best performance.

The financial statements of EasyJet PLC have been prepared in accordance with the Financial Reporting Standard and which are applicable statutory requirements for companies in 2006.

The company has switched from preparation of reports according to international accounting standards to IC 101 from October 1, 2022, and in which there is no impact on the financial statements. The company's financial statements as of September 2022 have been prepared based on the historical cost convention. The activities of EasyJet PLC together with the factors that will greatly influence its future development may be: Financial statements stating the objectives of the company and the procedures for using its capital and detailing the risks associated with the financial instruments held by the Company. ([EasyJet Annual Report,2022, p.n.14](#))

EasyJet Plc Business Environmental analysis tools

PESTEL analysis is a strategic management scheme that is used to find the external factors of the macro environment that can affect the organisation.

PESTEL means; Political, Economic, Social, Technological, Environmental and Legal factors. Thanks to PESTEL, companies can create impressions about the factors that can influence a business or an industry. ([The University of Sydney,2023](#))

Porter's five forces analysis has 5 stages, Michael Porter observes the five different forces that have an impact on a company in its industry. In the business environment, this analysis is known by the name Porter's five forces and the five stages are:

- Competitive rivalry
- New entrance
- Power of buyers
- Power of suppliers
- Threat of substitutes

The purpose of this analysis is to help businesses and organizations understand competitive dynamics and make informed decisions. ([Study Smarter,2023](#))

Cultural Web

The culture web is a tool used to map the culture of an organization and is also a way to recognize and underestimate different influences on the organization. It can also be used to

map the future of an organisation. This model has six key elements: stories, symbols, rituals and routines, organisational structure, control system, power structures. ([The Leadership centre,2023](#))

External Environmental analysis of EasyJet PLC using Pestel analysis

Political

Government stability: Changes in government can affect the EasyJet Plc airline such as changes in aviation regulations or tax policies.

International Relations: EasyJet Plc operates in various European countries. Different relations between countries can affect airline operations such as political conflicts in some countries or leading to a ban on flights to some destinations.

Brexit: The exit of the United Kingdom from the European Union has some consequences for the EasyJet airline company. This process limits the ability of the company to operate freely in the EU countries, affecting the business. ([EasyJet Pestel,2022](#)).

Regulation Environment: EasyJet has many regulations on safety standards, environmental regulations, and labour laws. The company is making its investment in newer and greener aircraft.

Economic

Economic cycles: Economic conditions are closely related to the EasyJet Plc's services. During times of economic growth, people are more likely to travel for work or leisure, which increases the demand for flights. And when there is an economic crisis, people reduce their trips and that can affect the services of EasyJet.

Fuel Prices: Fuel is one of the most significant costs for any airline. Therefore, uncertain prices can significantly affect the profitability of EasyJet Plc.

Consumer Confidence and Spending Power:
The financial stability of customers directly affects the tourism industry. When consumer confidence is high, people feel financially stable and then they spend money on travel which benefits for EasyJet Plc. ([EasyJet Peste,2022](#)).

Social

Changing travel habits: Socio-cultural changes can significantly affect people's travel habits. For example, people's interest in ecotourism or adventure tourism can influence the destinations it serves EasyJet.

Environmental Awareness: Nowadays, environmental concerns are becoming more and more important, and precisely because of this, there is increased scrutiny of the aviation industry's impact on the environment. People nowadays are very aware of this problem and because of this some of them prefer to use another type of transport. This can significantly affect the demand for the services of EasyJet. ([EasyJet Pestel,2022](#)).

Demographic Changes: Changes such as age, gender, income of the population in a country, educational level can also affect the company. For example, an aging population may increase demand for specific destinations or services.

Technological

Online Booking systems and E-commerce: Online bookings have a great rise in this modern age. EasyJet Plc, like other airlines, has an online booking system that gives customers the freedom to book flights, choose their seats and manage their bookings.

Mobile Technology: With the increase in the use of mobile devices, more and more airlines have started offering mobile applications to their customers such as mobile boarding passes and flight updates via smartphones. EasyJet Plc must keep up with these trends in order to defy the expectations of its clients.

Sustainable Technology: There is increasing pressure on airlines to adopt sustainable practices. Technological developments in areas as diverse as electric aircraft may become fundamental.

Cybersecurity: Cybersecurity is becoming increasingly important as online services proliferate. data or cyberthreats can damage the EasyJet's reputation and lead to additional costs that are not good for the company. ([EasyJet Pestel,2022](#)).

Environmental

Climate Change: changes in climate such as extreme or unpredictable weather conditions can disrupt schedules and can lead to an increase in the company's operating costs. Climate change can also affect travel patterns and the attractiveness of certain destinations.

Carbon Emissions and Environmental Regulations: Airlines are a major contributor to carbon emissions which are leading to climate change. There is increasing pressure on companies to reduce carbon emissions, which may require large investments by EasyJet Plc For example, creating an emissions trading system. ([EasyJet Pestel,2022](#)).

Noise Pollution: Another serious problem is noise pollution for communities living near airports. There are serious regulations for this, and EasyJet Plc has to be careful with it.

Legal

Aviation Regulations: The company is subject to various and aviation-specific regulations such as airlines. This includes safety standards, flight rules, issues such as overbooking and flight delay or cancellation compensation. These rules may affect the company.

Employment Laws: Employment laws can affect various areas of a company's work, such as recruiting employees, their earnings and working conditions. Changes in minimum wage laws can affect the cost of EasyJet Plc.

Environmental Laws: A set of environmental laws and regulations may affect EasyJet Plc. These can be about carbon emissions, noise pollution and waste management.

Data Protection and Privacy Laws: With more use of online services and other technologies, data protection and privacy laws are becoming increasingly important. EasyJet Plc must comply with the General Data Protection Regulation of the European Union. ([EasyJet Pestel,2022](#)).

Industry analysis of EasyJet Plc using Porter's five forces analysis

The first stage of Porter's five forces analysis is **Treats of new entrants**. The entry of more and more new players and innovations in the aircraft industry that do things in more and more new ways and put pressure on the EasyJet Plc. For example, with lower prices, reducing costs and presenting new offers to customers. In order to maintain its particular advantage, the company has to deal with all this. ([Fern Fort University, n.d.](#))

EasyJet Plc can deal with the threats of new entrants through new product innovation. Thus, the new products will not only attract new customers, but also ensure the company's retention of old customers.

New entrants are less likely to enter a dynamic industry where established companies like EasyJet Plc set the standards.

Bargaining power of sublayers is the second stage. Most companies in this industry purchase their raw materials from many different suppliers. Suppliers with a high position in the market can reduce the margins that the company can earn in the market.

Such powerful suppliers use their bargaining power with consumers to extract high prices from airlines. And so, the overall effect of this large bargaining power of the suppliers is that they reduce the overall profitability of the airlines.

EasyJet Plc can deal with this bargaining power of suppliers by building an efficient supply chain with multiple suppliers. ([Fern Fort University, n.d.](#))

Also, by experimenting with product design using different materials so that if prices rise on one product, then EasyJet Plc can switch to another with better prices.

Bargaining power of buyer is the third stage. Buyers are the demanding part of the industry. Most of them are of the opinion that they should buy the best available offer at the lowest price.

This puts pressure on the EasyJet Plc for the long term. The company can deal with this by building a large customer base. This can be beneficial to the EasyJet Plc in two ways. First, it will reduce the bargaining power of buyers, second, it will streamline the sales process and the company's production.

The new products offered by the EasyJet Plc will also reduce the switching of existing customers to a competing airline. ([Fern Fort University, n.d.](#))

The fourth stage is **Threats of substitute products and services**. The threat of a substitute product is high if it offers a high value proposition that is different and unique from the current offering in the industry.

EasyJet Plc can deal with this problem by focusing on customer service rather than just a product.

By understanding customer needs and not just what the customer buys.

The last stage is **Rivalry Among the Existing competitors**. If competition is intense between existing industries, it will reduce prices and the overall profitability of the industry.

EasyJet Plc operates in a very specific industry, this competition affects the long-term profitability of the organization.

The company can deal with this growing problem by building sustainable differences such as building scale so that it can compete better. ([Fern Fort University, n.d.](#))

By analysing the five forces and Pestel, EasyJet Plc gets a complete picture of what affects its profitability in the industry. By understanding Porter's five forces in detail, EasyJet Plc managers can shape strong and sustainable forces to their advantage. ([Fern Fort University, n.d.](#))

Organisational Culture of EasyJet Plc using cultural WEB model

Stories

EasyJet founded by Sir Stelios Haji-ioannou to people low-cost flights throughout Europe. It opens its first hub at Luton Airport in London and takes its first booking on 23 October.

Nowadays, the company has more than 1,100 flights to more than 35 countries and more than 330 Airbus aircraft. The employees are over 12,000 people including 3,300 pilots and 7,500 cabin crew. ([EasyJet,2023](#))

Ritual and Routines

Because it is a low-cost airline EasyJet offers short-haul flights only. This also includes services such as flight booking, travel insurance, airport lounges, car hire from various airports in Europe, airport parking, airport transfers and holiday taxes. ([Global Data Plc,2023](#))

Symbols

The company opted for a simpler logo to show that it is a budget company with low rates available to all people. The logo's thin lines and rounded letters are designed to create trust among customers. ([EasyJet Logo,2023](#))

Organisation Structures

In terms of organizational structure. EasyJet Plc operates as a decentralized company and, like its other subsidiaries, is an independent business. EasyJet started with two aircraft that were on lease for its London flights to Scotland. ([EasyJet,2023](#))

Control Systems

EasyJet adopts the SkyBreathe system which is an innovative solution created by Open Airlines which is Cloud based. They enable airlines to save fuel and reduce their carbon footprint by up to 5%. ([EasyJet,2022](#))

Power Structure

The company's strategy is cost leadership, which EasyJet relies on the most, because low prices are what customers expect from the company. However, to achieve this strong structure EasyJet needs to make major changes to the way it operates. ([Group Report, n.d.](#))

By analysing the five forces, the Pestel model and the Cultural WEB, EasyJet Plc gets a complete picture of what affects its profitability in the industry. By understanding Porter's five forces in detail, the managers of EasyJet Plc can shape strong and sustainable forces to their advantage. Pestel also gives a clear idea of the external factors that affect the company. And the Web model shows the culture of the organisation, the structure and the system of work that works favourably for EasyJet.

Ethical Dilemma of EasyJet Plc organisation

Ethical principles are those principles in business that are the moral standards set by a company and its employees. These ethical principles address an organization's values, its standards, regulations, and general industrial rights that tell employees how to behave in the workplace and how the business operates in the community.

EasyJet Plc is an ethical and socially responsible modern organisation. As the company respects the needs and rights of its employees according to the law of the four principles of the Declaration of the International Labour Organization. (ILO) > Freedom of association and effective recognition of the right to collective bargaining. ([EasyJet Corporate,2023](#))

Recommendation

In my opinion, from everything written so far in this report, EasyJet Plc can work a little more on its Logo, because people are also attracted by the appearance of the aircraft, not only by prices, and it's also gives them more confidence in the company.

My second recommendation to the company would be the check-in time. Many people travel during holidays and then there is a big influx of people at the airports, and the check-in time is only 2 hours, which turns out to be a big test for people and some of them even miss their flights. The company should send messages via email or the mobile app about peak times at airports with at least 3 hours of check-in time, so people will be notified in advance of any busy times.

Another recommendation of mine to the company could be good communication with its customers.

In this modern world, people are very aware of the possibilities of the internet and the advertisements that are made through networks of ordinary people. EasyJet should be used by this new and modern generation of people who have access to the internet 24 hours a

day to advertise their services and attract more and more customers and most importantly communicate effectively with their customers.

EasyJet can also consider how to use the world's aviation software to make flying easy and efficient, this would be a big advantage for the low-cost airline.

Conclusion

EasyJet is definitely a nice company that has improved over the years. The company has a low tariff, and it is difficult to expect anything in particular. Therefore, when reservations are made earlier, a lower ticket price will be paid, but the customer will receive the same service. The analysis done so far in this report shows that the company has a strong reputation in this industry and wants and shows a desire to progress. EasyJet has a strong organisational culture in the workplace and relies on its staff to grow in this industry. However, EasyJet faces strong competition to continue its upward movement in the airline industry.

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