

Organizational Structure and Culture in the Airline Industry

Module: Introducing the Modern Workplace

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Introduction

The management of business organizations is continuously evolving. The world is changing rapidly, and advancements have been on various aspects of organizations. So the management approaches are also needed to be improved. Such approaches are crucial to the achievement of the goals and objectives set by the organization. Since different businesses have different goals, their management approaches are also different. This approach sets the culture and structure of the business and then influences the performance (Booth and Melling, 2017). This report will first illustrate Virgin Atlantic's performance, organizational culture, and structure. Secondly, various factors will be analyzed that influence the employee's behaviour. Here, Virgin Atlantic is a British Airline which has created a competitive position in the airline industry (Virgin Atlantic, 2022).

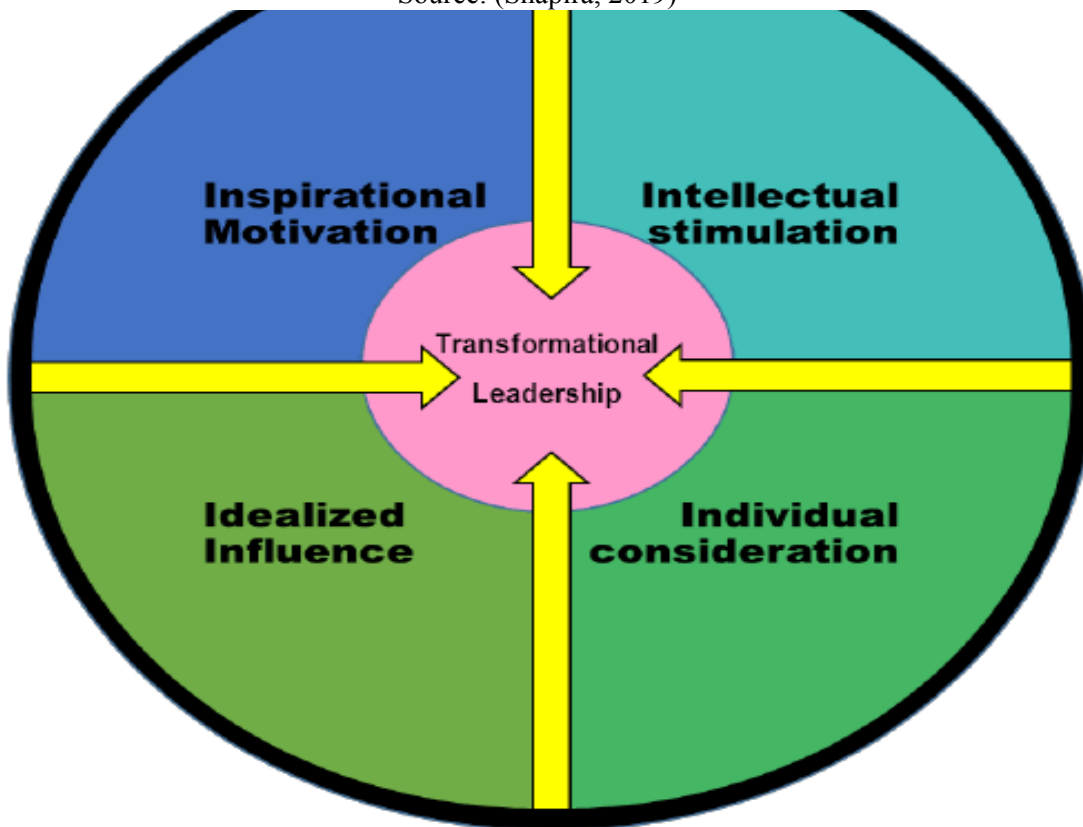
Virgin Atlantic: Reliance of Organizational Performances on a Suitable Culture and Structure

Every organization has some specific goals and objectives that it wants to achieve in the long run. Achieving such goals and objectives reveals the capabilities and the performance of that organization (Woodall, 2006). If the organization perform better in three areas such as financial, market, and maximizing the shareholder's value, that organization's overall performance will be satisfactory (Lominé, Muchena and Pierce, 2014). Achievement of its goals and objectives will be easier. So increasing the organizational performance gets much importance in the managerial decision of a company (Nene and Pillay, 2019). The management of an organization puts much effort in order to ensure an effective and functioning organizational structure and culture. Organizational culture and structure are two different things because culture means the expectations from the employees that they will follow in their attitudes and behaviours but such expectations are not in written rules or regulations. It evolves from common beliefs, shared values and expectations from the workplace (Idowu, 2016). Whereas organizational structure is a formal written system that outlines the activities and process for achieving the organizational goals and objectives. There are many organizational structures that different companies use to make their operations efficient (Woodall, 2006). A single structure is never the best fit for all.

The performance of Virgin Atlantic is highly related to its organizational structure and culture because there are so many airline companies in the industry but among them, this particular company is performing better. This company is rated 5 stars by the global airline rating (Virgin Atlantic, 2022). The services that it provides to the customer differentiate it from its competitors. It has achieved a good reputation in the airline industry for creating value for its customers. Its business performance is promising and the goals and objectives that it is continuously pursuing will be achieved if it can continue to perform with excellence. A good performance does not happen randomly. To achieve that the company must create a favourable organizational structure and culture (Oh and Han, 2018). When organizational culture is mentioned, there comes the topic of leadership. Because the leadership of an organization gives shape to the structure. How a company should run its activities and what processes should be undertaken are the topic of

Figure 1 Transformational Leadership

Source: (Shapira, 2019)



leadership (Woodall, 2006). The leadership approach of Virgin Atlantic reveals the contemporary leadership approach that is transformational theory. In this leadership strategy, the leader of the organization provides required training to the employees. He believes that if employees are inspired and given motivation, they will be able to perform unexpected tasks and remarkable outcomes will be achieved. The employees of the company get autonomy in their area so they can make decisions on their own. As they can make decisions without getting the approval of the higher authority, they can efficiently do their task faster (Temminck, Mearns and Fruhen, 2013). So the service that customers get is better than any other organization where transactional leadership is used. Transactional leadership is the opposite of the transformational leadership approach. Because in this approach, the entire decision-making and power of authority are centralized to the leader. So the employees do not get enough freedom in the workplace. It is believed that organizational goals and objectives will be achieved if employees are dictated to all aspects by the leader. However, Virgin Atlantic has created a culture in the workplace where every employee is to be respected and given utmost importance (Virgin Atlantic, 2022). So the

employees can share their ideas with the management and so great ideas reveal that can be used for innovation. There is a two-way communication system in the organization that allows communication with the higher management and higher management can provide instructions to the line manager.

Since the leadership approach of the company cares for the employees and considers them individually, it motivates them to perform their responsibilities with maximum effort. When employees are given training, they are also motivated by the organizational culture which shares a great value for them and the perspective to share ideas. So they can do better in their careers (Shapira, 2019). As employees' performances get better, the company can serve the customer in the most appropriate way possible for increasing satisfaction. So the goals and objectives achievement become easier. Organizational structure and culture have influenced the performance of the company and that is so obvious when the company is analyzed (Oh and Han, 2018). Other airline companies have different leadership style and their organizational structure and culture are different. So the performance varies greatly from the Virgin Atlantic. Moreover, there are some variables which are identified in the leadership of the company. These variables are self-confidence, innovation, responsibility, and decisiveness. These have made the leadership effective for the company. The leader represents himself to be well confident to the employees and influences to boost the morale that motivates them to the job (Booth and Melling, 2017). The activities within and outside of the workplace are accomplished properly when the leader takes all the responsibilities. It does not matter to him whether a success or failure befall the organization. He is going to take it on as his responsibility. Such decisive decisions and approaches make leadership effective. Sometimes leader's innovative idea changes the whole structure of the organization for the attainment of the goals and objectives (Lominé, Muchena and Pierce, 2014).

Factors Influencing the Behaviour of the Employees in Virgin Atlantic

Employees' behaviour in the workplace has a huge impact on the productivity of the organization. If employees are committed to their job and give the utmost effort in their areas, the performance of the organization will certainly be increased (Nene and Pillay, 2019). So behavioural approach is widely used in the modern workplace. The behavioural approach incorporates employees' relationships and their well-being as a managerial activity. This approach believes that the goals will be achieved if employees are given motivation and satisfied. The management thinks that mere financial incentives and task setting are not enough to get the task done by them. So the Behaviour approach works with the employee's psychological and sociological processes such as employee's expectations, motivations, attitudes and so on (Booth and Melling, 2017). The analysis of Virgin Atlantic shows that the employees of the company behave positively toward their business activities. They are committed to serving personalized service to the customers. For the job responsibilities, they are sacrificing, determined that they must finish off their responsibilities at any cost (Oh and Han, 2018). However, such performance needs to be constructed. The organization should identify those factors that influence their behaviours. Some factors have been identified in the Virgin Atlantic company and they are explained as follows:

Rules and Regulation

Rules and regulations in the airline industry play an important role in forming the behaviour of the employees. Because the employees have to go through various distinct sets of rules that other organizations do not set for their employees (Temminck, Mearns and Fruhen, 2013). For example, Virgin Atlantic had strict rules on the female employees to wear makeup and maintain a dress code and the cabin crew had no permission to show off their tattoos and so they used to hide them. Such strict rules create barriers to the freedom of choice of the employees. When they can not practice their idea and are dictated strictly, their performance becomes poorer (Idowu, 2016). So the company had to change the rules and now the employees have full freedom in these respects. The organization could comprehend the importance of rules and regulations in influencing the behaviour of the employees. If they can support the employees and encourage

them with fewer rules and regulations, they will feel free and stay positive in their job. When any rules and regulations are introduced, they should be the same for everyone in the workplace (Woodall, 2006). The code of conduct needs to be implemented strictly so that everyone gets well treatment.

Effective Communication

Employees are required continuous direction from the manager and the leader. If they do not get such directions in the workplace, they feel like left off and so they become reluctant to perform their duty properly. On the other hand, their behaviour will be completely different in an organization where the communication system is effective and efficient the employees can use the system in their daily interactions. Particularly in the decision-making, the employees have many things to say which are important in the company's future activities. The performance of organizations varies in this respect. Those organizations can do better which having effective internal and external communication systems. So the leader and managers know very well about the employees' recommendations (Temminck, Mearns and Fruhen, 2013). Virgin Atlantic has created an internal communication channel through which the employees can communicate with the higher management. This way communication effectiveness has been achieved and the impact is obvious in the employees' behaviour. The employees are very innovative. They can generate great ideas which are beneficial for the company (Lominé, Muchena and Pierce, 2014). Moreover, the manager can rectify mistakes incurred by the employees instantly by having this communication channel.

Leadership

The most important factor that influences employees' behaviour greatly is leadership. Leadership and the employee's performance are interrelated (Idowu, 2016). There are many forms of leadership. For example, democratic leadership encourage the employees to take part in the decision-making process. Their suggestions and recommendations get significant when making any decisions (Woodall, 2006). So the employees become more involving in the organization. It provides the opportunity for them to be decisive and reason. On the other hand, autocratic leadership does not give any opportunity to take part in the decision-making. Rather it makes the

employees obey the strict instructions. So the employees do show their interest in organizational matters. They are only subject to performing their duties (Booth and Melling, 2017). The employees of Virgin Atlantic have encountered transformational leadership. In this leadership, they get inspiration from the leader and manager because the leader and manager attempt to be their idol by bringing change in their skills and approaches (Shapira, 2019). This leadership has made the employees more innovative. The employees are therefore contributing to the organizational positive changes.

Relationship at Workplace

The relationship between employees and employer is very crucial for determining the behaviour of the employees. An organization can influence the behaviour of their employees through this factor. If the relationship is good and understanding, the employee's motivation gets higher for the company. They are willing to put any effort into the betterment of their workplace (Nene and Pillay, 2019). On the other hand, they will plan to move to other organizations if the employer does not keep a good relationship with the employees. So, the staff turnover will be greater and that is not a good signal for any organization. When staff turnover is higher, the performance of that organization gets decreases (Lominé, Muchena and Pierce, 2014). Virgin Atlantic has adopted the management approach so that it can build the relationship stronger with its employees. At present, the employees are well engaged with their employers. So the staff turnover is in control. However, the employees have raised the issue of lower compensation, they are not moving to other organizations. Because of the relationship factor, they like to work with this company. So it can also retain skilled employees.

Conclusion

A suitable organizational culture and structure are instrumental for achieving the organizational goals and objectives. The organization must be established in such a way that the employees get full opportunities to be innovative and practice their skills. The leadership must be inspiring that new leaders are created within the workplace. The Airline's performance is promising for achieving the goals. However, they should be flexible in their approach. If any changes come in the industry, they must adapt their organizational structure to those changes.

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