

UNIVERSITY OF WALES TRINITY SAINT DAVID

**MODULE:
WORKPLACE CULTURE AND ITS IMPACT ON
ORGANISATIONAL EFFICIENCY**

REPORT

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Executive summary

This report evaluates EasyJet Plc's organizational culture, performance, and environmental and ethical challenges. The report highlights EasyJet's innovative approaches to passenger safety and organizational performance, including its use of agile management and decentralization. The company's focus on building long-term relationships with key suppliers and partners is also noted.

Using PESTEL and Porter's Five Forces models, the report evaluates the broader environment in which EasyJet operates and identifies key drivers for change. A SWOT Analysis also is included.

The report recommends actions to address environmental and ethical challenges, including reducing carbon emissions, adopting sustainable practices, enhancing social responsibility, improving transparency, and reporting, and fostering innovation and agility. The report emphasizes the need for coordinated effort and technological innovation to successfully implement these recommendations.

Overall, the report concludes that by adopting these recommendations, EasyJet can enhance its sustainability performance, reputation, and long-term value for stakeholders while maintaining its position as a leading low-cost airline in Europe.

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Introduction

This report provides an assessment of EasyJet Plc, one of the leading low-cost airlines in Europe. The report evaluates the company's organizational culture, performance, and environmental and ethical challenges, and provides recommendations to improve its sustainability and value for stakeholders. The report discusses EasyJet's innovative approaches to passenger safety and organizational performance, including its use of agile management and decentralization. The report also highlights the company's focus on building long-term relationships with key suppliers and partners.

Using PESTEL and Porter's Five Forces models, the report evaluates the broader environment in which EasyJet operates and identifies key drivers for change. The report emphasizes the importance of addressing environmental and ethical challenges, such as reducing carbon emissions, adopting sustainable practices, enhancing social responsibility, improving transparency, and reporting, and fostering innovation and agility.

The report concludes that by adopting these recommendations, EasyJet can enhance its sustainability performance, reputation, and long-term value for stakeholders while maintaining its position as a leading low-cost airline in Europe.

Background of EasyJet Plc airline

EasyJet is a leading low-cost airline in Europe, which was established in 1995. The airline has a fleet of 308 aircraft operating on 927 routes across 34 countries. With a slogan of "Come on, let's fly!" and being referred to as "the web's favourite airline", EasyJet is known for its innovative approach to passenger safety and organizational performance. The airline strongly believes in a culture of decentralization, with a focus on monitoring performance even in virtual working environments and adapting to suitable changes in working practices as a continuous process. EasyJet is committed to redefining its organizational structure to boost performance and inspire its staff members to work tirelessly. Additionally, the airline places great emphasis on building good long-term business relationships with key suppliers and strategic partners to ensure an effective supply chain and to deliver value to its customers (EasyJet Plc, 2022).

EasyJet has become one of the most successful low-cost airlines in Europe, operating with a high degree of efficiency and innovation. The company's success is due in large part to its commitment to providing low-cost, high-quality service to its customers. EasyJet's focus on operational efficiency allows the airline to provide affordable fares, while still maintaining a high level of safety and customer satisfaction.

In recent years, EasyJet has expanded its operations to include more international routes, making it easier for customers to travel throughout Europe and beyond. The airline has also invested in modern technology, such as mobile apps and online booking systems, to make the booking process more convenient for its customers (European Commission, 2021).

EasyJet's commitment to sustainability is also worth mentioning. The airline has set a target of reducing its carbon emissions per passenger-kilometre by 10% by 2022 and has invested in more fuel-efficient aircraft and renewable energy sources to achieve this goal. Additionally, the airline has introduced measures to reduce plastic waste on board its aircraft and has partnered with carbon offsetting initiatives to further reduce its environmental impact (EasyJet Plc, 2022).

Despite the challenges posed by the COVID-19 pandemic, EasyJet has remained resilient and adaptable. The airline has implemented new safety measures to protect its customers

and staff and has offered flexible booking policies to accommodate changing travel plans. EasyJet has also taken steps to reduce costs, such as reducing the size of its fleet and renegotiating supplier contracts, to weather the economic impact of the pandemic.

Overall, EasyJet's innovative approach to passenger safety and organizational performance, along with its commitment to sustainability and adaptability, has made it a leading player in the low-cost airline industry.

Organizational culture and structure of Easy jet and their impact on achieving financial and non-financial performance.

EasyJet's organizational culture and structure play a significant role in the airline's success in achieving both financial and non-financial performance goals.

EasyJet's culture of decentralization empowers employees to take ownership of their work and make decisions, leading to greater agility and flexibility in responding to changing market conditions. This, in turn, has allowed the company to achieve higher levels of operational efficiency and customer satisfaction, which contribute to its financial performance (Alkhatib et al., 2020).

Additionally, EasyJet's focus on innovation and continuous improvement has enabled the company to introduce new products and services that meet the evolving needs of its customers. This, in turn, has helped the company to maintain its competitive advantage in the low-cost airline industry and achieve higher financial performance.

Furthermore, EasyJet's emphasis on building long-term strategic partnerships with key suppliers and authorities has contributed to its strong supply chain management and helped the company achieve greater operational efficiencies, leading to improved financial performance.

On the non-financial side, EasyJet's organizational culture and structure also have an impact on employee motivation, engagement, and satisfaction. The company's culture of decentralization, coupled with its focus on continuous improvement, has created an environment where employees are encouraged to share ideas and take ownership of their work. This, in turn, leads to greater employee satisfaction and engagement, contributing to non-financial performance goals such as employee retention and productivity.

In conclusion, EasyJet's organizational culture and structure have a significant impact on both its financial and non-financial performance. By fostering a culture of innovation, decentralization, and strategic partnerships, EasyJet has been able to achieve higher levels of operational efficiency, customer satisfaction, and employee engagement, leading to improved financial performance and non-financial performance outcomes.

The relationship between organizational culture and structure is critical in determining the success of any organization, and EasyJet is no exception. EasyJet's innovative and agile culture, coupled with its decentralized structure, has allowed the airline to be more responsive to changing market conditions and customer needs, which is critical in the highly competitive airline industry.

EasyJet's emphasis on employee empowerment and continuous improvement has also contributed to its success. By giving employees the freedom to make decisions and take ownership of their work, the company has created a culture of innovation and continuous learning. This has allowed the company to stay ahead of the competition by introducing new products and services that meet the evolving needs of its customers.

The airline's strong supply chain management and strategic partnerships with key suppliers and authorities have also played a critical role in its success. By focusing on building long-term relationships with suppliers and authorities, EasyJet has been able to achieve greater operational efficiencies, leading to improved financial performance.

Moreover, EasyJet's commitment to sustainability has also contributed to its non-financial performance. The company has set ambitious targets to reduce its carbon emissions, reduce plastic waste, and invest in renewable energy sources, which has helped to improve its environmental and social impact.

Overall, EasyJet's organizational culture and structure have contributed to the airline's success in achieving both financial and non-financial performance goals. By fostering a culture of innovation, continuous improvement, and employee empowerment, EasyJet has been able to maintain its competitive advantage in the low-cost airline industry, while also contributing to a more sustainable future for the industry.

One of the key benefits of EasyJet's organizational culture and structure is its ability to adapt to change quickly. The airline industry is subject to constant change, including changes in customer preferences, fuel prices, and regulatory requirements. By having a decentralized structure and a culture of innovation, EasyJet has been able to respond quickly to changes in the market and stay ahead of the competition. EasyJet's culture of continuous improvement has also contributed to its success in achieving both financial and non-financial performance. By encouraging employees to share ideas and take ownership of their work, the company has been able to introduce new products and services that meet the evolving needs of its customers. This has led to improved customer satisfaction, which is critical for the long-term success of any business.

Furthermore, EasyJet's strategic partnerships with key suppliers and authorities have allowed the company to achieve greater operational efficiencies and reduce costs. This, in turn, has contributed to improved financial performance and has allowed the company to invest in new technologies and sustainable practices. The airline's focus on sustainability is also becoming increasingly important in today's business environment. Customers are increasingly looking for companies that prioritize sustainability, and EasyJet's commitment to reducing its environmental impact is likely to contribute to its long-term success.

In conclusion, EasyJet's organizational culture and structure have played a significant role in the company's success in achieving both financial and non-financial performance. By fostering a culture of innovation, decentralization, and continuous improvement, and by building long-term strategic partnerships with key suppliers and authorities, EasyJet has been able to stay ahead of the competition in the highly competitive airline industry while also contributing to a more sustainable future (Hitt et al., 2019).

3. Evaluation, using appropriate environmental and organizational analytical techniques

PESTEL Analysis:

Political: Changes in government policies, taxes, and regulations can impact the airline industry. For example, changes in regulations related to security, immigration, and passenger rights can affect the operations of EasyJet Plc.

Economic: Fluctuations in economic conditions, such as changes in GDP, inflation, and exchange rates, can have a significant impact on the airline industry. Economic downturns can lead to reduced demand for air travel, while economic growth can increase demand.

Social: Changes in social and cultural norms can impact the airline industry. For example, changing attitudes towards environmental sustainability and travel patterns can affect the demand for air travel.

Technological: Advances in technology can impact the airline industry in various ways, such as the use of digital technologies for ticketing and reservations, and the use of data analytics to optimize flight routes and schedules (International Air Transport Association, 2022)

Environmental: The airline industry is subject to increasing scrutiny over its environmental impact, particularly in terms of carbon emissions. This has led to a growing demand for more sustainable travel options, which could impact the operations of EasyJet Plc.

Legal: Changes in laws and regulations, such as those related to aviation safety and security, can have a significant impact on the airline industry. EasyJet Plc must ensure that it complies with all relevant laws and regulations. (International Civil Aviation Organization, 2021)

Porter's Five Forces Analysis:

Threat of new entrants: The airline industry has high barriers to entry due to high capital requirements and regulatory requirements. This reduces the threat of new entrants to the market.

Threat of substitutes: Substitutes such as train and bus travel can reduce the demand for air travel, particularly for short-haul flights.

Bargaining power of suppliers: Airlines are heavily dependent on suppliers, particularly for aircraft and fuel. This can result in a high bargaining power for suppliers.

Bargaining power of buyers: Customers have a high bargaining power due to the availability of alternative options and the ease of comparing prices and services online.

Intensity of competitive rivalry: The airline industry is highly competitive, with many low-cost carriers competing for market share. This can lead to intense price competition and pressure on profit margins.

In addition to the PESTEL and Porter's Five Forces analyses, there are other analytical techniques that can be used to evaluate the broader environment of EasyJet Plc. One such technique is the SWOT analysis, which involves identifying the strengths, weaknesses, opportunities, and threats of the organization (Porter, 2019).

SWOT Analysis:

Strengths: EasyJet Plc has a strong brand reputation as a leading low-cost airline in Europe. The organization has a large fleet of aircraft and operates on numerous routes across multiple countries. Additionally, the organization has a strong focus on safety and operational efficiency.

Weaknesses: One of the major weaknesses of EasyJet Plc is its reliance on fuel prices, which can be volatile and impact profit margins. Additionally, the organization faces intense competition from other low-cost airlines in the industry.

Opportunities: The growing demand for air travel in emerging markets presents an opportunity for EasyJet Plc to expand its operations and increase its market share. Additionally, the organization can leverage new technologies to improve operational efficiency and customer experience.

Threats: One of the major threats to EasyJet Plc is the impact of external factors such as terrorism, natural disasters, and pandemics, which can significantly impact the demand for air travel. Additionally, the increasing focus on environmental sustainability could lead to increased regulations and costs for the airline industry.

Overall, the broader environment of EasyJet Plc is characterized by numerous opportunities and threats, as well as a highly competitive landscape. To address these challenges, the organization must continue to focus on innovation, operational efficiency, and flexibility in its working practices and approaches. This includes leveraging new technologies, building strong relationships with suppliers and partners, and adopting sustainable practices to meet evolving customer demands and regulatory requirements.

Key drivers for the change in working practices/approaches at EasyJet Plc:

Changes in consumer preferences and travel patterns, particularly considering the COVID-19 pandemic, have led to a need for greater flexibility and adaptability in working practices and approaches.

The growing importance of sustainability and environmental impact has led to a need for more sustainable practices and technologies, which require changes in working practices and approaches.

The increasing use of digital technologies and data analytics has created new opportunities for optimizing operations and improving efficiency, which has led to changes in working practices and approaches (Kotler & Keller, 2019).

The highly competitive nature of the airline industry has created a need for innovation and continuous improvement, which has driven changes in working practices and approaches at EasyJet Plc.

EasyJet Plc's practices for ethical approaches as a part of its organizational culture

EasyJet Plc has been practicing several ethical approaches as a part of its organizational culture. Some of these approaches include:

Environmental Sustainability: EasyJet Plc is committed to reducing its environmental impact by implementing various measures such as reducing carbon emissions, minimizing waste, and promoting sustainable practices across its operations. For instance, the company has set a target to reduce its carbon emissions by 7% per passenger by 2025 (United Nations Environment Programme, 2021).

Ethical Sourcing: EasyJet Plc works closely with its suppliers to ensure that they adhere to ethical practices and standards. The company has established a Supplier Code of Conduct that outlines its expectations regarding human rights, labour practices, and environmental sustainability.

Diversity and Inclusion: EasyJet Plc has a strong focus on promoting diversity and inclusion across its workforce. The company aims to create a workplace that is inclusive and welcoming for employees of all backgrounds, cultures, and abilities. For instance, the company has established a Diversity and Inclusion Committee to promote these values across the organization (Schein, 2019).

Customer Satisfaction: EasyJet Plc places a strong emphasis on providing excellent customer service and satisfaction. The company has implemented various measures to

ensure that its customers are treated fairly, with respect and dignity, and that their needs are met to the best of its ability.

The benefits of these ethical approaches are numerous. First, they help to create a positive image of the company and increase customer loyalty. Customers are more likely to do business with a company that they perceive as being ethical and socially responsible. Second, these practices help to attract and retain talented employees who share the company's values and are committed to its mission. Finally, ethical practices can help to reduce risk and improve the overall financial performance of the company by minimizing negative publicity, legal disputes, and other potential issues that can arise from unethical behaviour.

In summary, EasyJet Plc has adopted several ethical approaches as a part of its organizational culture. These practices help to create a positive image of the company, increase customer loyalty, attract, and retain talented employees, and improve financial performance by reducing risk and minimizing negative publicity.

EasyJet Plc has also implemented various initiatives to support the communities in which it operates. For instance, the company has a charitable arm, the EasyJet Foundation, which supports causes related to the environment, education, and social welfare. In addition, the company has partnered with various organizations to promote social responsibility and community engagement, such as the Prince's Trust, which helps young people gain skills and confidence to enter the workforce (Thomas & Berti, 2019).

Another example of ethical practice by EasyJet is its commitment to safety. The company has implemented stringent safety measures to ensure the safety of its passengers and crew, including regular maintenance checks, pilot training programs, and safety audits. The company has also been proactive in adopting new technologies and procedures to enhance safety, such as the use of drones for aircraft inspections.

Moreover, EasyJet Plc has been transparent in its reporting of sustainability performance. The company publishes an annual sustainability report, which provides detailed information on its environmental and social performance. This report includes data on carbon emissions, waste reduction, diversity and inclusion, and other key sustainability metrics. By sharing this information with stakeholders, EasyJet demonstrates its commitment to transparency and accountability.

Overall, the ethical practices of EasyJet Plc are aligned with its overall mission to provide safe, efficient, and affordable air travel while minimizing its impact on the environment and supporting the communities in which it operates. These practices not only benefit the company but also contribute to a more sustainable and responsible aviation industry (Freeman, 2020).

In addition to the benefits mentioned above, EasyJet's ethical practices have also helped the company to build trust and credibility with its customers, employees, and stakeholders. By demonstrating a commitment to social responsibility and sustainability, the company has been able to differentiate itself from its competitors and attract a more socially conscious customer base. This, in turn, has helped to drive customer loyalty and brand reputation.

Furthermore, ethical practices have also helped to improve employee engagement and motivation. EasyJet's focus on safety, sustainability, and community engagement has created a sense of purpose and shared values among employees, which has contributed to a positive workplace culture. The company's decentralized structure and emphasis on agility

and innovation have also empowered employees to take ownership of their work and contribute to the company's success.

In terms of financial performance, EasyJet's ethical practices have helped the company to reduce costs and improve efficiency. For example, the company's focus on sustainability has led to investments in more fuel-efficient aircraft, which has helped to reduce carbon emissions and lower fuel costs. Similarly, the company's commitment to safety has helped to minimize the risk of accidents and disruptions, which can be costly for airlines (Grant, 2019).

Overall, EasyJet's ethical practices have contributed to the company's success by helping to build a strong brand reputation, drive customer loyalty, improve employee engagement and motivation, and enhance operational efficiency. As such, ethical practices can be seen as a key driver of sustainable business growth and long-term value creation for EasyJet and other companies in the aviation industry.

Recommendations to Easy Jet Plc for improving its performances as well as justify suggested actions.

To address the environmental and ethical challenges faced by EasyJet Plc, the following recommendations are suggested:

Reduce carbon emissions: EasyJet should continue to invest in more fuel-efficient aircraft and alternative fuels to reduce its carbon emissions. The company can also explore the use of carbon offsets and other initiatives to offset its carbon footprint.

Adopt sustainable practices: EasyJet should implement sustainable practices throughout its operations, such as reducing waste, conserving water, and promoting recycling. The company can also explore the use of sustainable materials and packaging to reduce its environmental impact.

Enhance social responsibility: EasyJet should continue to support the communities in which it operates through charitable giving and community engagement initiatives. The company can also promote diversity and inclusion in its workforce and supply chain to enhance its social responsibility (Schumpeter, 2019).

Improve transparency and reporting: EasyJet should continue to be transparent in its reporting of sustainability performance and engage with stakeholders to address their concerns. The company can also seek external verification and certification to enhance the credibility of its sustainability reporting.

Foster innovation and agility: EasyJet should continue to foster innovation and agility in its organizational culture to adapt to changing environmental and social trends. The company can also explore new business models and technologies to enhance its sustainability performance (Schein, 2019).

These recommendations align with EasyJet's current approach to sustainability and ethical practices but provide specific actions to enhance its performance in these areas. By adopting these recommendations, EasyJet can improve its sustainability performance, enhance its reputation, and create long-term value for its stakeholders.

Implementing these recommendations would require a coordinated effort across EasyJet's operations, including its supply chain, employees, and management. To ensure successful implementation, EasyJet could establish a sustainability task force or committee to oversee these efforts and track progress against sustainability goals (The Guardian, 2021).

In addition, EasyJet can leverage technology to enhance its sustainability performance. For example, the company can use data analytics to identify areas for improvement and monitor its carbon footprint. It can also explore the use of digital tools to promote sustainable practices among its employees and customers, such as through gamification or incentive programs (MacLean & Lave, 2021).

To further demonstrate its commitment to sustainability, EasyJet can also partner with sustainability organizations and initiatives to share best practices and collaborate on industry-wide sustainability initiatives.

By taking a proactive approach to sustainability and ethics, EasyJet can not only mitigate its environmental impact and enhance its social responsibility, but also create long-term value for its stakeholders and maintain its position as a leading low-cost airline in Europe (PwC, 2021).

Conclusion

In conclusion, EasyJet Plc has demonstrated an innovative and agile approach to its organizational culture and performance, leading to its success as one of the leading low-cost airlines in Europe. However, the company faces significant environmental and ethical challenges that must be addressed to maintain its reputation and long-term value for stakeholders.

By evaluating the broader environment using PESTEL and Porter's Five Forces models, this report has identified key drivers for change and recommended actions to address environmental and ethical challenges. These actions include reducing carbon emissions, adopting sustainable practices, enhancing social responsibility, improving transparency, and reporting, and fostering innovation and agility.

Implementing these recommendations will require coordinated efforts from EasyJet and its stakeholders, including technological innovation and a commitment to long-term sustainability. However, the benefits of such efforts are clear: enhanced sustainability performance, reputation, and long-term value for stakeholders.

Overall, the recommendations provided in this report aim to help EasyJet continue its success as a leading low-cost airline while also addressing environmental and ethical challenges and positioning the company for long-term success in a rapidly changing industry.

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