

Organisational structure and culture of easyJet

Assignment 1



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Introducing the Modern Workplace – LCBB4003

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1. Introduction

The airline sector is always evolving, and as a result, there is a growing need for flights. As a result, low-cost travel is becoming more common, which will lead to more improvements.

easyJet stands itself from other carriers by selling very affordable fares. It seeks to save costs by eliminating unnecessary expenses and extras. To be able to attract as many customers as possible, it is essential to reduce costs.

The purpose of this report is to examine the organisational structure, culture, and behaviour in light of the post-pandemic market.

2. Organisational structure

Founded in 1995 by Sir Stelios Haji-Ioannou, easyJet plc is a British corporation that promotes the idea of low-cost flights across Europe.

On March 24, 2000, easyJet plc was formally established as a public limited company with its headquarters located at Hangar 89 at London Luton Airport in Luton, Bedfordshire, United Kingdom (Companies House, 2022).

As a public limited company, easyJet is compelled to have a board of directors that acts as the firm's governing board. To achieve this, it establishes and monitors strategic priorities in a way that is consistent with easyJet's culture and promotes long-term progress, all while preserving a stable approach to risk inside a structure of efficient controls and giving thoughtful attention to the needs of all stakeholders. The board is formed currently of 9 members (easyJet Corporate, 2022).

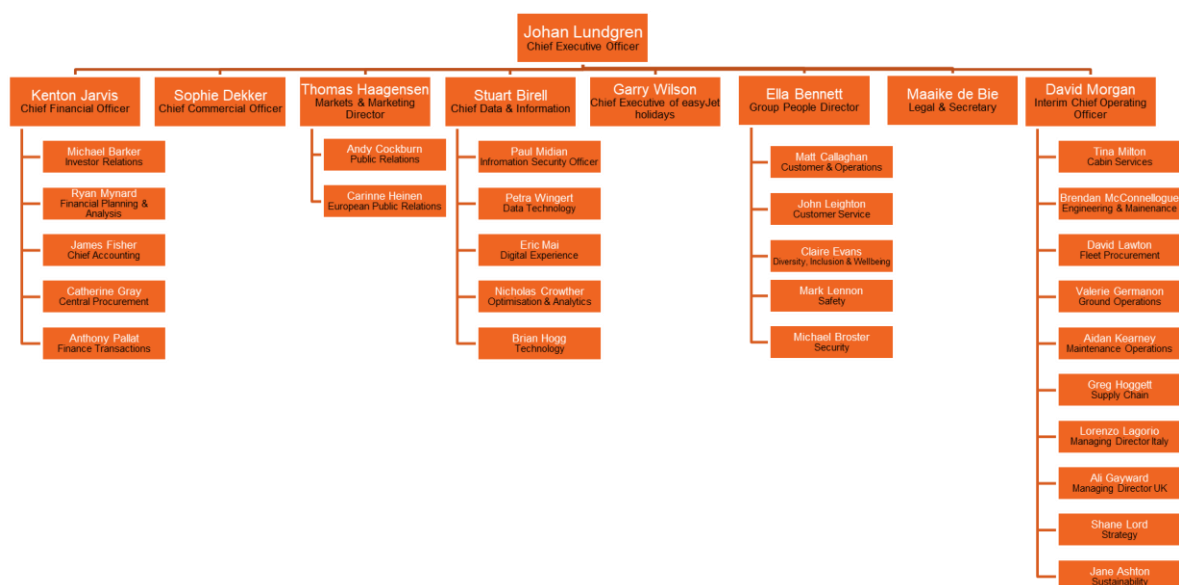


Figure 1 *Organisational chart of easyJet* (The Official Board, 2019)

There is a clear chain of command at easyJet, beginning with CEO Johan Lundgren and working its way to the ground staff and cabin personnel. While Johan Lundgren has ultimate power at easyJet, he is supported by an executive team that helps in a variety of ways.

By the end of September 2021, the hierarchical organisational structure of easyJet had a total of 13,000 employees, including more than 4,000 pilots and 7,000 members of the crew (easyJet Corporate, 2022).

EasyJet has over 300 planes in its fleet and flies approximately 1000 flights, linking over 150 airports in 35 countries. The airline serves 19 airports in the United Kingdom and has links to locations around Europe, the Middle East, and North Africa.

3. Organisational culture

Needle (2004) claims that an organization's culture is the result of its history, product, market, technology, strategy, employee type, style of management, and objectives and that it represents the shared values, beliefs, and ideals of its members. The cultural elements of an organisation include its mission, values, norms, organizations, symbols, language, perceptions, beliefs, and practices.

There are four distinct organisational cultures, as described by Charles Handy's approach (Juneja, 2019):

1. *Power culture*: In a society like this, people are valued more than committees. Companies with this culture appear to be tolerant of inadequate methods since they place a greater focus on the final product. Their success may be associated with poor morale and significant staff rotation when people fail or choose to leave the competitive environment, giving the impression that they are difficult and aggressive.

2. *Task culture*: It's common for companies to adopt a task culture where groups are put together to complete specific goals or address pressing issues. These groups bring together people who have a shared goal and/or expertise. Everyone in the team shares the responsibility for the success of the business and is expected to use their creativity and initiative to complete the tasks at hand.

3. *Person culture*: Employees in a person-centred culture put themselves first, rather than the company, workers think of themselves as more vital than the company itself.

4. *Role culture*: To get the most out of each person, a "role culture" allocates tasks and duties to them in line with their unique set of skills, training, and interests. Role culture provides stability and the chance to gain expertise for workers; when employees meet or exceed

expectations, they are compensated with raises and opportunities for advancement within their field.

At easyJet, everyone has a specific role to play based on their background, experience, and personal preferences. The goal is to get everyone involved to help them develop to their full capabilities.

3.1 Mission and goals

EasyJet's mission is to achieve market-leading outcomes for its shareholders while focusing on bringing travel simple, pleasant, and fair for all of its customers, whether they are business people or leisure travellers. The company's goal is to provide continuous connectivity throughout Europe while also providing the warmest welcome in the sky (easyJet Corporate, 2022).

3.2 Values

The organisation operates according to a core value that serves as the foundation for its overall strategy (easyJet Corporate, 2022):

- ✓ Safe and responsible: Priority always goes to guaranteeing the well-being of both our clients and our employees.
- ✓ On our customer's side: Maintain a focus on the needs of your customers at all times and try to think like them.
- ✓ In it together: teamwork.
- ✓ Always efficient: Maintain productivity while giving the highest priority to essential activities.
- ✓ Forward thinking: plan forward for the needs of tomorrow and take appropriate steps which will have an impact in the future.

3.3 Code of conduct

A code of conduct is a collection of regulations for work engagement that must be followed inside an organisation. The code serves as a benchmark against which employees may measure their own performance, with the end goal of fostering a more cohesive and productive workplace (James, 2022).

Corporate Responsibility and compliance are important responsibilities for easyJet. These are the foundation of our activities and shape their actions accordingly (easyJet Corporate, 2022).

Doing the right thing is important to easyJet because they care about their customers, employees, partners, neighbours, and the world around them. This is crucial for the company's future growth and prosperity. Everyone expects easyJet would behave ethically and always strive to do better in the interests of its customers (easyJet Corporate, 2022).

3.4 Employee motivation

Initiating and maintaining effort toward one's goals is what's meant by the term "motivation." Motivation, according to the expectancy-value theory, is determined by the degree to which one believes their efforts will be worthwhile (Cook and Artino, 2016).

Maslow (1943) argues that people strive to achieve their goals by fulfilling a hierarchy of needs. Taking care of ourselves is our first priority, therefore that's what will drive us to work so hard. After that, we'll look forward to the next objective, which will serve as motivation to keep going. According to Maslow's theory of motivation, the five basic needs of humans are what ultimately drive their behaviour choices.

EasyJet actively encourages its employees to grow professionally, celebrates diversity, and encourages open dialogue. This goal is being pursued via the "Talented Leaders" programme, which main mission is to produce future leaders for the organisation and to increase internal motivation (easyJet Careers, 2022).

4. EasyJet performance

When the COVID-19 pandemic hit, in 2020 passenger numbers dropped by half from the previous year, and easyJet recorded its first yearly loss in November of that year (Georgiadis, 2020).

Despite an increase in sales, easyJet nonetheless reported a loss of £557 million during the first half of 2022. This is better than the £645 million loss recorded during the same time in 2021 (easyJet Corporate, 2022).

Airline Ratings (2022) reports that easyJet has a high safety rating, a COVID-19 rating of 6 out of 7, and a product rating of 2.5 out of 5 since it is a low-cost airline.

According to almost 60,000 evaluations on the popular travel website Tripadvisor, travellers are generally satisfied with easyJet's services. Reviews have pointed out that easyJet should improve its service in many key areas, including its Wi-Fi, in-flight entertainment, seating, and catering (Tripadvisor, 2022).

5. Organisational behaviours

According to Laurie Mullins, the concept of organisational behaviour is the study and comprehension of individual and collective behaviour, as well as characteristics of organisational framework, to enhance the results and effectiveness of an organisation (Mullins, 2005).

5.1 Leadership

Leadership is the ability of one person to shape the actions of another or others toward a common goal while inspiring them to share in that goal's importance and work together with others around them (Jaques and Clement, 1994).

The easyJet Talented Leader initiative is designed to provide participants with all they need to excel in a variety of their evolving roles, thus the name. This is achieved by providing participants with feedback and support as they work toward a leadership certification, which in turn helps them improve their existing skills and develop new ones (easyJet Careers, 2022).

5.2 Teamwork

James Scarnati (2001) claims that teamwork is better described as a method of cooperation that enables even apparently average people to accomplish extraordinary achievements. Any group of people that work together toward a shared goal is considered a team.

When working in the aviation sector, teamwork is essential due to the many rules and regulations. Employees at easyJet are encouraged to think and act as "one team," which encourages them to combine their efforts and continually innovate and develop (easyJet Careers, 2022).

5.3 Innovation

Improvements in results, efficiency, effectiveness, or quality may be achieved via innovation since it leads to the development and introduction of fresh processes, products, and ways of execution (Taylor, 2017).

EasyJet's commitment to efficiency and sustainability derives from the company's founding principles of forward-thinking.

As part of the Single European Sky, easyJet recently showcased one of its innovative efforts by switching to a new mix of Sustainable Aviation Fuel on three of its flights from Lyon airport, cutting emissions by 27 percent. EasyJet also joined in 2021 the worldwide "Race to Zero", an

UN-backed program, initiative to reduce carbon emissions to zero by 2050 (Breaking Travel News, 2022).

With an average fleet age of 6.9 years, easyJet has one of the youngest fleets in the industry. By 2022, they want to have up to 100 brand-new, more fuel-efficient planes in service (easyJet Corporate, 2022).

5.4 Employees

Despite having to lay off several workers during the COVID-19 outbreak, easyJet has the top employee satisfaction rating in the travel and hospitality industry, according to Glassdoor (easyJet Corporate, 2022).

The purpose and basic values of easyJet are incorporated into the environment of a company, which encourages and promotes collaboration, and diversity, as well as the safety and security of the company's customers and employees.

6. Conclusion

Easyjet is a public limited company with a hierarchical organisational structure typical of the aviation industry.

Safety, efficiency, customer concentric, cooperation, and innovation are all core values of easyJet that form the basis of the company's long-term strategy.

Despite the difficulties that the pandemic brought to the airline sector, easyJet was able to retain its personnel and maintain a high level of satisfaction. Although recording their first annual deficit in 2020, they were able to keep their finances under control, and things are improving currently.

Although easyJet's behaviour is heading in the right direction, the company might do more to put its customers first and boost its reputation.

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