

Organisational Culture: British Airways

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Introduction

Organisational culture is often described as the invisible foundation of a business. It includes the shared values, beliefs, behaviours, and assumptions that shape how employees work together and how an organisation interacts with its customers. According to Mullins and Christy (2016), culture reflects "how things are done around here," influencing decision-making, organisational structure, and long-term strategic direction. A strong and well-aligned culture can provide organisations with a competitive advantage, particularly in fast-changing markets, whereas a weak or fragmented culture can create conflict, reduce employee engagement, and negatively affect organisational performance (Alvesson, 2012).

This report critically examines British Airways (BA), the United Kingdom's flag carrier and a major subsidiary of the International Airlines Group (IAG). Operating within the highly competitive and heavily regulated aviation industry, British Airways provides an interesting example of how organisational culture can evolve over time. Since moving from state ownership to becoming a privatised airline, BA has experienced significant cultural change. Today, it faces the challenge of maintaining its reputation as a premium airline while also responding to growing competition from low-cost carriers and increasing pressure to reduce costs (Harvey & Turnbull, 2020).

To explore these issues, this report applies three recognised theories of organisational culture: Schein's Model of Organisational Culture, Charles Handy's Cultural Types, and Denison's Traits Theory. These frameworks will be used to evaluate how BA's culture influences its organisational structure, leadership approach, and internal decision-making. The report will also assess how effectively the airline's culture enables it to respond to external challenges and whether its current culture supports or restricts overall organisational performance.

The influence of leadership on British Airways' culture can be seen through three key periods in the airline's history. During the transformation of the 1980s and 1990s, Lord King and Colin Marshall played a central role in rebuilding the company. Marshall even took part in cabin crew training to reinforce the importance of the airline's "Putting People First" philosophy, which placed customer service at the centre of the organisation. This period contrasts sharply with the leadership of former CEO Alex Cruz, whose experience at Vueling shaped a stronger focus on cost reduction. His approach prioritised efficiency and financial performance, but many employees believed it came at the expense of service quality and staff morale. Since becoming CEO, Sean Doyle has attempted to rebuild the organisational culture by restoring employee benefits and improving relationships with the workforce, while also strengthening the airline's premium brand.

These cultural changes can also be seen in several operational decisions. In 2017, British Airways introduced its "Buy on Board" policy, replacing complimentary food on short-haul flights with a paid Marks & Spencer menu. While the change was designed to reduce costs and compete more effectively with budget airlines, many cabin crew felt it weakened the premium service they were expected to deliver. Another example is the decision to redesign the Boeing 777 economy cabin by adding a tenth seat to each row. Although this increased passenger capacity and revenue, it was widely criticised for reducing passenger comfort.

These decisions illustrate how commercial pressures have increasingly influenced BA's culture, reflecting the wider strategic priorities of its parent company, IAG.

As part of the International Airlines Group (IAG), British Airways is also influenced by the wider corporate strategy of the group. This means the airline is regularly compared with lower-cost sister airlines such as Vueling, particularly in terms of labour costs and operational efficiency. As a result, pressure to reduce costs has become deeply embedded within BA's culture, often creating tension between management and employees.

This focus on cost reduction has frequently acted as a barrier to organisational flexibility and has contributed to several major industrial disputes. One of the most significant examples was the 2019 BALPA pilot strike, the first in British Airways' history. The two-day strike led to the cancellation of almost all flights and is estimated to have cost the airline around £137 million, highlighting the direct financial impact that poor employee relations can have. Similar tensions arose when management introduced the "Mixed Fleet" cabin crew model, employing new staff on less favourable contracts than existing employees. This effectively created a two-tier workforce, resulting in a series of strikes between 2017 and 2019. During the COVID-19 pandemic, these tensions worsened when British Airways issued a Section 188 notice proposing up to 12,000 redundancies while seeking to re-employ many staff on reduced terms and conditions. Although intended to address the airline's financial challenges, many employees viewed the decision as a breach of trust, causing long-lasting damage to the relationship between management and the workforce.

Organisational culture also has a significant influence on the way British Airways is structured. Because aviation is a highly regulated and safety-critical industry, the airline operates through a formal, hierarchical structure. Functions such as flight operations, engineering, and cabin services are organised into clearly defined departments, ensuring accountability and maintaining the high safety standards expected within the industry. While this structure supports operational reliability, decision-making remains highly centralised. Key decisions relating to areas such as route planning, seating capacity, and employment policies are generally made by senior executives before being communicated throughout the organisation. As a result, frontline employees have relatively limited involvement in strategic decision-making, reinforcing a traditional top-down management approach.

These cultural characteristics can be examined using established organisational culture theories. Schein's Model of Organisational Culture highlights three levels of culture. At the visible level, British Airways presents strong organisational artefacts, including its distinctive Union Flag tailfin design, formal uniforms, and premium branding, all of which reinforce its identity as the UK's national airline. The airline's stated values are reflected in its long-standing slogan, "To Fly. To Serve.", which emphasises professionalism and customer service. However, the greatest tension exists at the level of basic underlying assumptions. Many frontline employees continue to view their role as delivering a premium customer experience, while senior management has increasingly focused on efficiency, cost reduction, and operating in a highly competitive marketplace. This difference in perspectives helps explain many of the conflicts experienced within the organisation.

Charles Handy's Cultural Types model also provides useful insight into British Airways. The airline closely reflects a Role Culture, where authority is based on clearly defined roles, formal procedures, and organisational hierarchy. This bureaucratic approach is particularly appropriate within aviation, where pilots, engineers, and operational staff must consistently

follow strict procedures to ensure safety and regulatory compliance. However, while this structure supports stability and control, it can also reduce organisational flexibility and make it more difficult to respond quickly to change.

Culture and the External Environment

Organisations operate in constantly changing environments and must respond to political, economic, social, and technological developments. Denison's Traits Theory (Denison, 1990) provides a useful framework for assessing how British Airways' culture supports its ability to respond to these external pressures. The model focuses on four key characteristics: adaptability, mission, consistency, and involvement.

Adaptability

Within Denison's framework, adaptability refers to an organisation's ability to respond effectively to changes in its external environment. For British Airways, this has often been a challenge due to its long-established organisational culture and highly structured way of operating. The airline industry is constantly affected by external pressures, including fluctuating fuel prices, changing regulations following Brexit, and intense competition from low-cost airlines such as EasyJet and Ryanair. These factors require airlines to make quick and effective strategic decisions.

However, British Airways has often struggled to respond with the same level of flexibility as some of its competitors. Its traditional Role Culture, combined with the influence of powerful trade unions such as BALPA and Unite, means that significant organisational changes often involve lengthy negotiations. While these negotiations help protect employees' rights, they can also slow the organisation's ability to respond quickly to changing market conditions.

The challenges associated with adaptability became particularly clear during the COVID-19 pandemic. Faced with an unprecedented collapse in demand for air travel, British Airways attempted to reduce costs by issuing Section 188 notices, proposing up to 12,000 redundancies while seeking to re-employ many staff on less favourable terms and conditions. Although the decision was intended to improve the airline's financial position, it generated widespread criticism from employees, politicians, and the public. Rather than creating a collaborative response to the crisis, the proposal further damaged trust between management and the workforce. This demonstrates how organisational culture can influence an organisation's ability to adapt successfully during periods of significant external change.

Mission

Denison argues that a clear organisational mission gives employees a shared sense of purpose and provides direction for long-term decision-making. For British Airways, its mission has traditionally centred on delivering premium service while representing British aviation on the global stage. This identity has remained an important part of the airline's culture, despite increasing pressure to reduce operating costs.

Over the past decade, British Airways has introduced several cost-saving measures, including replacing complimentary food on short-haul flights with a paid service in 2017, although elements of this decision were later reversed. While these changes brought parts of the economy-class experience closer to that offered by low-cost airlines, the company's overall mission has remained focused on operating as a premium full-service international

carrier. This clear strategic identity continues to strengthen BA's competitive position by helping it attract corporate customers, maintain its strong presence at Heathrow Airport, and differentiate its long-haul services from lower-cost competitors.

Consistency

Consistency refers to the shared values, systems, and behaviours that create a stable organisational culture. In the context of British Airways, consistency is particularly evident in flight operations and safety management. Aviation is a highly regulated industry where there is no margin for error, and BA's structured Role Culture supports the strict procedures required to maintain safety and regulatory compliance. Standardised operating procedures, clearly defined responsibilities, and rigorous training ensure that safety remains consistent despite external pressures such as changing market conditions or economic uncertainty. In this respect, BA's culture is a significant organisational strength.

Involvement

Involvement focuses on developing employees' skills, commitment, and sense of ownership within an organisation. This is an area where British Airways has faced considerable challenges. Responding effectively to changing customer expectations often requires frontline employees to make decisions quickly and resolve issues independently. However, BA's centralised management style and strong emphasis on cost control have limited the autonomy of many frontline managers and cabin crew. Combined with ongoing tensions between management and trade unions, this has reduced employee engagement and weakened trust across the organisation. As Harvey and Turnbull (2020) suggest, low levels of employee involvement can limit an organisation's ability to respond effectively to changing customer needs and improve service quality.

Organisational Culture as a Barrier

Assessing whether British Airways' organisational culture acts as an enabler or a barrier requires a balanced evaluation. In some areas, particularly safety and operational reliability, the airline's culture clearly supports organisational performance. The emphasis on formal procedures, compliance, and accountability is essential within the aviation industry and helps maintain consistently high safety standards.

However, the wider organisational culture has increasingly become a barrier to effective performance. Years of cost-cutting initiatives and strained employee relations have weakened trust between management and the workforce. Many employees have felt that financial objectives have been prioritised over investment in people, leading to lower morale and reduced engagement. This has contributed to industrial disputes, including the 2019 BALPA pilot strike and ongoing disagreements with the Unite union, both of which disrupted operations and damaged the airline's reputation.

Overall, while British Airways' culture successfully supports safety and operational control, its limited employee involvement, centralised decision-making, and history of conflict have reduced its ability to adapt quickly and maintain positive relationships with its workforce. Addressing these cultural challenges will be important if the airline is to strengthen employee engagement while continuing to compete in an increasingly demanding aviation market.

A key challenge within British Airways is the strained relationship that has developed between senior management and the workforce. Over the past decade, increasing pressure to compete with low-cost airlines has led to a strong focus on cost reduction and operational efficiency. These changes became particularly noticeable during the leadership of Alex Cruz and were further intensified by the controversial employment proposals introduced during the COVID-19 pandemic. Many employees viewed these decisions as a breach of trust, significantly weakening the psychological contract between the organisation and its workforce.

As trust declined, employee engagement and morale were also affected. When employees feel that organisational priorities focus primarily on reducing costs rather than recognising their contribution to the airline's premium service, they may become less motivated to go beyond the minimum requirements of their roles. This reduction in discretionary effort can have a direct impact on customer experience, particularly in a service-based industry where employee commitment plays an important role in maintaining high standards. The strained relationship between management and employees has also contributed to industrial action, including the 2019 BALPA pilot strike and continuing disputes involving the Unite union.

This culture of mistrust creates several barriers to organisational performance.

Barrier to agility: Organisational change can be difficult to implement when trust between management and employees is limited. Proposed changes to working practices, technology, or employment conditions are often met with resistance because employees may perceive them as attempts to reduce pay, increase workloads, or weaken existing employment terms. As a result, implementing change becomes slower and more complex, reducing the organisation's ability to respond quickly to developments within the aviation industry.

Barrier to customer excellence: Mullins and Christy (2016) argue that organisational culture has a significant influence on employee motivation and job satisfaction. In the airline industry, delivering a high-quality customer experience depends not only on following procedures but also on employees demonstrating initiative, professionalism, and positive interactions with passengers. Where trust and engagement are low, employees may be less willing to provide this additional level of service, making customer interactions feel more routine and reducing the premium experience that British Airways seeks to deliver.

Barrier to internal collaboration: British Airways' traditional Role Culture, with its clearly defined departments and hierarchical structure, can also reduce collaboration across the organisation. Teams such as ground operations, cabin crew, and flight crew often work within separate functional areas, each with its own priorities and responsibilities. While this structure supports operational control and safety, it can also create organisational silos that make communication and cross-departmental cooperation more difficult. During periods of organisational change or operational disruption, this lack of collaboration can reduce efficiency and make it harder to deliver a consistent customer experience.

Impact of Culture on Organisational Performance

The influence of organisational culture on British Airways' performance can be seen in both its financial results and its reputation as a premium airline.

From a financial perspective, the stronger focus on cost control under IAG helped improve operational efficiency and profitability. Initiatives such as increasing seating capacity,

introducing more flexible fare structures, and controlling labour costs contributed to record operating profits before 2019. These strategies strengthened BA's financial performance and reinforced its importance within the wider IAG group.

However, these financial gains were accompanied by significant cultural challenges. A continued emphasis on cost reduction contributed to lower employee morale and increased conflict between management and the workforce. This, in turn, affected customer service and the airline's brand reputation. The gap between British Airways' stated commitment to customer service, reflected in its "To Fly. To Serve." motto, and the experiences of some employees and passengers became increasingly noticeable. Customer satisfaction declined, and the airline lost its Skytrax five-star rating while also performing less strongly in several consumer satisfaction surveys.

Since becoming CEO, Sean Doyle has introduced initiatives aimed at rebuilding employee trust and strengthening the airline's premium service offering. Investment in both employees and the customer experience suggests that the organisation recognises the importance of culture as a driver of long-term performance. Nevertheless, rebuilding trust and changing organisational culture is a gradual process, meaning that the effects of previous management decisions are likely to remain visible for some time.

Conclusion

British Airways demonstrates how organisational culture can act as both a source of strength and a barrier to performance. The airline benefits from a long-established culture of professionalism, operational discipline, and regulatory compliance, all of which are essential within the aviation industry. These cultural characteristics have helped maintain high safety standards and support the airline's position as one of the world's leading international carriers.

However, the analysis also highlights significant cultural challenges. The tension between maintaining a premium service culture and pursuing aggressive cost reduction has created conflict between management and employees. As discussed by Mullins and Christy (2016), organisational culture influences every aspect of organisational behaviour, from employee motivation to strategic decision-making. At British Airways, declining trust, centralised decision-making, and ongoing industrial disputes have limited organisational agility, reduced employee engagement, and affected customer satisfaction.

Overall, while British Airways has achieved periods of strong financial performance, long-term success will depend on creating a culture that balances operational efficiency with employee involvement and customer service excellence. Strengthening relationships with employees, encouraging greater collaboration, and rebuilding trust across the organisation will be essential if the airline is to maintain its competitive position while delivering the premium experience on which its reputation has been built.

A lasting improvement in organisational performance will require British Airways to address the underlying assumptions that shape its culture. Rather than maintaining an adversarial relationship with employees, management should adopt a more collaborative approach that rebuilds trust and encourages greater employee involvement. Aligning the organisation's stated commitment to premium customer service with a workplace culture that genuinely values and supports its employees will be essential for sustaining long-term success. By

strengthening employee engagement alongside operational efficiency, British Airways will be better positioned to respond to future challenges while maintaining its reputation as a leading global airline.

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