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Organizational Culture

Individual Report

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Introduction

Organisational culture shapes how organisations operate, make decisions, and respond to internal and external challenges. It influences employee behaviour, leadership, organisational structures, and strategic priorities, ultimately affecting organisational performance and long-term competitiveness. Schein (2017) defines organisational culture as the shared assumptions, values, and beliefs that guide how members interpret problems and determine appropriate actions. In highly regulated industries such as aviation, culture is particularly important because safety, operational reliability, and regulatory compliance depend on consistent behaviours and established procedures.

British Airways (BA), the UK's flagship airline and part of the International Airlines Group (IAG), provides an appropriate case for examining the relationship between organisational culture and effectiveness. Operating in a competitive environment characterised by technological change, economic uncertainty, sustainability pressures, and strict regulation, BA must balance operational efficiency with customer satisfaction and employee engagement. While maintaining its traditional emphasis on safety, professionalism, and service quality, the airline has increasingly incorporated innovation and continuous improvement into its culture.

This report critically evaluates how organisational culture influences British Airways' structure and decision-making, its ability to adapt to external pressures, and its role as both an enabler and barrier to organisational effectiveness. It also assesses culture's impact on organisational performance and provides evidence-based recommendations using theories including Schein's Organisational Culture Model, Handy's Cultural Typology, Kotter's Change Theory, Lewin's Change Management Model, McGregor's Theory Y, and Senge's Learning Organisation.

Organisational Culture at British Airways

Organisational culture extends beyond observable workplace behaviour to encompass the underlying assumptions that shape how employees think, interact, and make decisions. Schein (2017) identifies three interconnected levels of culture: artefacts, espoused values, and underlying assumptions. Artefacts include visible features such as procedures, communication styles, and professional appearance. Espoused values reflect the principles an organisation claims to uphold, while underlying assumptions are deeply embedded beliefs that unconsciously guide behaviour.

British Airways demonstrates all three levels. Professional uniforms, structured operational procedures, and strict safety protocols represent its artefacts. Its commitment to customer service, operational excellence, and safety reflects its stated values, while the underlying belief that procedural compliance and standardisation minimise operational risk shapes everyday decision-making. Such a culture is particularly appropriate in aviation, where even minor deviations from established procedures can have serious safety consequences.

Although these core values remain central, BA's culture has evolved in response to increased competition and changing customer expectations. Alongside operational reliability, the organisation has placed greater emphasis on innovation, digital transformation, and customer experience, creating a balance between maintaining stability and adapting to market demands.

Handy's (1993) cultural typology further explains British Airways' organisational characteristics. The airline most closely reflects a role culture, with clearly defined responsibilities, reporting relationships, and procedures. Pilots, engineers, cabin crew, and ground staff each operate within established roles that support coordination across complex international operations. This structure promotes accountability, consistency, and compliance with strict aviation regulations, making it well suited to an industry where safety depends on clearly defined responsibilities rather than individual discretion.

However, while a role culture provides stability and operational control, it may also reduce flexibility and limit employee autonomy during periods of rapid

environmental change. This creates an ongoing challenge for British Airways as it seeks to maintain high safety standards while encouraging innovation and responsiveness in an increasingly competitive industry.

Organisational Culture, Structure and Decision-Making

British Airways demonstrates a strong relationship between organisational culture and organisational structure. While structure defines authority, communication, and responsibility, culture shapes how employees perform within those arrangements. Reflecting the complexity of international aviation and strict regulatory requirements, British Airways operates through a predominantly hierarchical structure that supports consistency, accountability, and operational control.

Centralised decision-making is particularly important in areas such as flight safety, aircraft maintenance, regulatory compliance, and operational planning. Senior management establishes strategic priorities, while operational managers ensure policies are consistently implemented throughout the organisation. This approach reduces operational risk by ensuring decisions comply with established procedures and national and international aviation regulations.

Schein's Organisational Culture Model helps explain why this structure is appropriate. British Airways' underlying assumptions emphasise that professional accountability, close supervision, and standard operating procedures are essential to maintaining safety and reliability. Consequently, employees prioritise stability and procedural compliance over experimentation, reinforcing the concentration of strategic and operational authority within senior leadership.

This centralised structure offers several advantages. It promotes regulatory compliance, protects passenger safety, and reduces the likelihood of operational failures. Clearly defined authority also enables employees to understand their responsibilities, supporting consistent performance across complex international operations involving multiple airports, aircraft, and regulatory jurisdictions.

Despite these strengths, a hierarchical structure can reduce organisational agility. Multiple management layers may slow decision-making, particularly when rapid responses to changing market conditions are required. Furthermore, frontline employees—who interact directly with customers and possess valuable operational knowledge—may have limited influence over strategic decisions, restricting employee empowerment and innovation.

Recognising these limitations, British Airways has increasingly incorporated participative decision-making without abandoning its hierarchical framework. Employees are encouraged to contribute customer feedback, suggest operational improvements, and participate in service development initiatives. These practices allow frontline insights to influence management decisions relating to customer experience, digital innovation, and operational efficiency while maintaining the centralised control necessary for safety and regulatory compliance. This reflects a gradual shift towards organisational learning without compromising operational discipline.

Leadership also plays a critical role in aligning culture with decision-making. Kotter (1996) argues that successful organisational change requires leaders to communicate a clear vision and actively engage employees throughout the change process. British Airways' leadership has increasingly promoted innovation, sustainability, and customer service while continuing to reinforce its traditional commitment to professionalism and safety. However, achieving an appropriate balance between operational control and employee empowerment remains a significant leadership challenge.

The COVID-19 pandemic provides a clear example of how organisational culture influenced strategic decision-making. Facing severe financial pressures, British Airways introduced restructuring programmes, workforce reductions, and operational changes to ensure long-term organisational survival. Although these decisions were financially justified, many employees and trade unions viewed them as inconsistent with the organisation's stated values of cooperation and respect. This created tension between strategic necessity and cultural expectations, demonstrating that employees judge organisational decisions not only by their financial outcomes but also by whether they align with organisational values.

The experience highlights the importance of trust, transparency, and effective communication during periods of organisational change. Even well-founded strategic decisions may face resistance if employees perceive them as conflicting with long-established cultural values. Consequently, leadership effectiveness depends not only on making sound strategic decisions but also on ensuring that organisational change is implemented in a way that maintains employee confidence and cultural alignment.

Organisational Culture and Adaptation to the External Environment

The airline industry is shaped by continuous external pressures, including technological advances, economic uncertainty, environmental concerns, changing customer expectations, and intense competition. To remain competitive, organisations require cultures that promote both operational stability and strategic flexibility. British Airways has increasingly used its organisational culture to respond to these challenges while maintaining its commitment to safety and service excellence.

Competition is one of the most significant external influences affecting British Airways. The growth of low-cost airlines such as Ryanair and easyJet has transformed customer expectations regarding price, convenience, and service, while premium carriers continue to compete through quality and reliability. In response, British Airways has sought to improve operational efficiency while maintaining its premium brand. Rather than relying solely on structural changes, the airline has embedded customer-focused values into its culture by encouraging employees to prioritise passenger satisfaction and contribute ideas for service improvement. Investments in mobile applications, online booking platforms, self-service check-in, and personalised communication demonstrate how cultural values influence strategic priorities and support innovation without compromising operational excellence.

Kotter's (1996) Change Theory explains this approach by emphasising that successful transformation requires employees to understand and support a shared organisational vision. British Airways has promoted a culture centred on innovation, customer service, and operational excellence to encourage employee commitment to organisational change. When employees recognise how cultural values contribute to organisational success, resistance is reduced and change initiatives are more likely to succeed.

Technological change has also reshaped the aviation industry, with customers expecting seamless digital services, real-time information, and personalised travel experiences. British Airways has responded by investing in digital technologies while providing staff with training to develop new skills. These initiatives reflect Senge's (1990) Learning Organisation theory, which argues that organisations encouraging continuous learning, knowledge sharing, and professional development are better equipped to adapt to changing environments. Regular training, cross-departmental collaboration, and investment in digital capabilities strengthen organisational agility while maintaining the consistency required in aviation.

Nevertheless, British Airways' hierarchical structure limits the speed at which innovation can be implemented. Unlike organisations with flatter structures, airlines must ensure that all innovations comply with strict safety regulations. As a result, organisational culture supports innovation, but implementation remains carefully controlled to minimise operational risk. This highlights the ongoing balance between flexibility and reliability.

Environmental sustainability has become another major external influence. Governments, regulators, investors, and customers increasingly expect airlines to reduce carbon emissions and improve environmental performance. British Airways has responded by embedding sustainability into its organisational values rather than treating it as a separate initiative. Investments in sustainable aviation fuel, more fuel-efficient aircraft, and carbon reduction programmes demonstrate that environmental responsibility now forms part of strategic decision-making. Encouraging employees to adopt environmentally responsible practices strengthens

organisational commitment while enhancing the airline's reputation with key stakeholders.

The COVID-19 pandemic represented the most significant external challenge facing British Airways. The collapse in passenger demand and international travel required extensive restructuring, workforce reductions, and accelerated digital transformation to ensure organisational survival. While these actions demonstrated resilience, they also exposed weaknesses within the organisation's culture.

Lewin's Change Management Model provides a useful framework for evaluating this period. Although British Airways successfully implemented structural changes, many employees believed that job losses and changes to employment conditions conflicted with the organisation's values of respect and cooperation. This reduced trust, increased conflict with trade unions, and weakened employee commitment, suggesting that organisational adaptation depends not only on effective strategic decisions but also on employee acceptance of change. Without clear communication and cultural alignment, transformation initiatives become more difficult to sustain.

Overall, British Airways demonstrates that organisational culture is essential in helping organisations adapt to changing external conditions. By balancing innovation, customer service, sustainability, and continuous learning with its long-established commitment to safety and operational reliability, the airline has strengthened its ability to respond to an increasingly complex business environment. However, maintaining employee trust during periods of major organisational change remains essential for long-term success.

Organisational Culture as an Enabler and Barrier to Organisational Effectiveness

Organisational culture can both enhance and restrict organisational effectiveness. Shared values promote commitment, collaboration, and a strong organisational identity, but deeply embedded assumptions may also reduce flexibility, discourage

innovation, and create resistance to change. British Airways demonstrates both perspectives, showing that culture can operate as either an enabler or a barrier depending on organisational circumstances.

One of British Airways' greatest strengths is its culture of safety, professionalism, and procedural compliance. Aviation is one of the world's most highly regulated industries, requiring employees to follow strict operational procedures to ensure passenger safety. This culture supports accountability and consistency, enabling complex international operations to function effectively across multiple locations. Handy's role culture explains why this approach is successful, as clearly defined responsibilities and reporting structures reduce uncertainty while strengthening coordination and operational control.

This cultural consistency also enhances British Airways' reputation. Its commitment to reliable service, professionalism, and operational excellence strengthens customer confidence and provides a competitive advantage. Furthermore, investments in employee development, digital technology, and customer feedback systems demonstrate an increasing emphasis on continuous improvement and organisational learning, enabling the airline to adapt while maintaining high operational standards.

Despite these strengths, aspects of British Airways' culture can hinder organisational effectiveness. The hierarchical decision-making structure limits employee empowerment because frontline staff have relatively little influence over strategic decisions despite possessing valuable operational knowledge. Multiple management layers can also slow decision-making, reducing organisational responsiveness in rapidly changing environments.

These limitations became particularly evident during the COVID-19 restructuring. Although workforce reductions and cost-saving measures were introduced to ensure financial survival, many employees believed these actions conflicted with the organisation's stated values of fairness and respect. The resulting decline in morale, organisational commitment, and employee trust illustrates that financial decisions alone cannot guarantee successful organisational change. According to Kotter (1996), effective transformation depends on employee understanding, participation, and commitment as well as strategic leadership.

Overall, British Airways' organisational culture functions more as an enabler than a barrier. Its strong emphasis on safety, professionalism, customer service, and operational excellence has enabled the airline to remain one of the world's leading international carriers despite operating in a highly competitive and uncertain environment. Nevertheless, maintaining this advantage will require leadership to balance operational discipline with greater employee involvement and organisational flexibility as external conditions continue to evolve.

The Impact of Organisational Culture on Organisational Performance

Organisational culture has a direct influence on organisational performance by shaping employee behaviour, leadership, innovation, customer service, and decision-making. At British Airways, a culture centred on safety, professionalism, and accountability has contributed significantly to operational excellence. However, long-term performance also depends on how effectively the organisation manages cultural change during periods of uncertainty.

A major strength of British Airways is its commitment to operational efficiency through strict adherence to international aviation regulations and standard operating procedures. This focus reduces operational risk, protects the airline's reputation, and strengthens customer confidence, providing an important competitive advantage in an industry where safety and reliability are critical.

British Airways has also enhanced organisational performance through investment in innovation, digital technology, employee training, and customer service improvements. These initiatives have improved operational efficiency while demonstrating that organisational culture supports continuous improvement rather than simply maintaining existing practices. As a result, the airline is better positioned to compete within an increasingly dynamic global aviation market.

However, organisational performance extends beyond financial outcomes and operational efficiency. Employee engagement is equally important to long-term success. During the COVID-19 pandemic, workforce reductions and changes to

employment conditions weakened employee trust and commitment, despite improving short-term financial stability. This illustrates that when employees perceive management decisions as inconsistent with organisational values, motivation, resilience, and service quality may decline.

McGregor's Theory Y suggests that organisations achieve stronger performance when employees are trusted, empowered, and involved in decision-making. Although British Airways has made progress towards greater collaboration, expanding employee participation would further strengthen commitment, encourage innovation, and improve customer service by allowing frontline staff to contribute valuable operational insights.

Similarly, Senge's Learning Organisation theory highlights the importance of continuous learning in maintaining competitive advantage. British Airways already invests in training and professional development, particularly in customer service and digital capability. Expanding these initiatives would further improve organisational adaptability, knowledge sharing, and innovation, strengthening the airline's ability to respond to future industry challenges.

Overall, British Airways demonstrates that organisational culture remains a significant competitive advantage. Its emphasis on professionalism, operational discipline, and customer service has supported sustained organisational performance. However, future success will increasingly depend on maintaining employee trust while continuing to promote organisational learning, innovation, and effective leadership during periods of change.

Recommendations for Improving Organisational Culture

Although British Airways has a strong organisational culture, several evidence-based improvements could further strengthen its long-term effectiveness.

The first recommendation is to increase participative leadership while maintaining the hierarchical structure required for safety and regulatory compliance. Greater employee involvement in non-operational decision-making would enhance engagement, innovation, and organisational commitment. British Airways should establish regular consultation forums, cross-functional improvement teams, and structured feedback systems that enable frontline employees to contribute ideas on customer service, operational efficiency, and organisational improvement. This approach aligns with McGregor's Theory Y, which argues that employees perform more effectively when they are trusted, empowered, and given opportunities to contribute to organisational success.

Secondly, British Airways should further strengthen its learning culture by expanding opportunities for continuous professional development. Consistent with Senge's Learning Organisation theory, the airline should continue investing in leadership development, digital skills training, collaborative learning, and knowledge-sharing across departments. These initiatives would improve adaptability, encourage innovation, and equip employees to respond more effectively to technological developments and changing customer expectations.

Finally, British Airways should improve communication during organisational change by applying Kotter's Eight-Step Change Model more consistently. Leadership should communicate strategic objectives openly, involve employees early in the change process, and recognise short-term achievements throughout implementation. The challenges experienced during the COVID-19 restructuring demonstrated that employee commitment is as important as strategic planning when implementing organisational change. Greater transparency would strengthen trust, reduce resistance, and improve acceptance of future transformation initiatives.

Collectively, these recommendations would enable British Airways to balance operational discipline with greater employee empowerment, organisational learning, and innovation. Importantly, they build upon the airline's existing

strengths in safety, professionalism, and customer service rather than replacing its established organisational culture.

Conclusion

Organisational culture plays a fundamental role in shaping organisational effectiveness by influencing employee behaviour, leadership, decision-making, and strategic performance. British Airways demonstrates how a strong organisational culture can support operational excellence while also creating challenges during periods of significant organisational change. The airline's emphasis on safety, professionalism, customer service, and regulatory compliance has reinforced its hierarchical structure and centralised decision-making, enabling high levels of operational reliability and maintaining its international reputation.

At the same time, British Airways has adapted its culture to address changing external pressures by embracing innovation, digital transformation, sustainability, and continuous learning. These developments illustrate that organisational culture is dynamic and must evolve alongside changing stakeholder expectations and market conditions. However, the COVID-19 pandemic highlighted the importance of aligning strategic decisions with organisational values, as employee trust and commitment can be weakened when change is perceived as inconsistent with the organisation's culture.

Overall, organisational culture acts primarily as an enabler of organisational effectiveness at British Airways. Although its hierarchical structure can sometimes limit flexibility and employee participation, its strong commitment to operational excellence, customer service, and continuous improvement has enabled the airline to remain competitive in one of the world's most demanding industries. Strengthening participative leadership, organisational learning, and communication during change will help British Airways maintain employee commitment, encourage innovation, and sustain long-term organisational performance.

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