

WORKPLACE CULTURE AND ITS

IMPACT ON ORGANISATIONAL

EFFICIENCY

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EXECUTIVE SUMMARY

Easy Jet is a low cost airline operating in an aviation industry. The airline operates over 1000 routes (both national and international) in over 30 countries. Following report has analysed internal and external environment analysis of the Easy Jet where company's culture and structure has been specified in report along with its influence over financial and non-financial performance of the business. With the help of PESTLE and porter five force analysis, organisation's key drivers for the change has been evaluated, where it is also found that due to rapid technological advancement, Easy jet is also considering investment into cloud computing technology. Along with this ethical approaches of business are also specified in report. Further, academic interview section is also covered in report.

INTRODUCTION

Work place culture refers to a set of beliefs, behaviours and attitudes that make up the daily working environment in the organisations, either small, large or medium size. It plays important role in the context of organisational success, development and growth (Haris, Jamaluddin and Usman, 2023). As a positive work culture supports to enhance employees' performance, productivity, engagement and well-being that outcome in form of high employee retention (*Organisation culture*, 2023). The current assessment will be based on Easy jet, falls under the category of leading low cost airlines in the Europe. It operates more than 926 routes all across 34 nations successfully, with better services provided by skilled staff members. The study will explain relation between organisational structure and culture as well as their impact on achieving performance, including financial and non-financial. It will also define broader environment of chosen airline by using appropriate business environment analytical models or frameworks. Furthermore, the report will also specify how Easy jet has been practising some ethical approaches as part of its culture and benefit thereof.

TASK 1

Overview of Easy Jet

Easy Jet plc is a British multinational low cost airline group headquartered at London Luton Airport (*EasyJet*, 2023). Airline operates both domestic and international scheduled services over 927 routes in more than 34 countries through its affiliate airlines EasyJet UK, EasyJet Europe and EasyJet Switzerland. Airline have recorded an annual revenue of nearly 5.8 billion British pounds and have 576.9 crores GBP (2022). EasyJet employs total 14,443 people of which 57% are male and 43% are female. Company have diversity, collaboration, integrity and leadership vision at workplace that allows them to manage its customer's needs in efficient manner.

Critically assessing relationship of organisational culture and structure of Easy Jet and their impact on achieving financial & non-financial performance

In the world of business, success rely on several factors or forces that support a company to grow rapidly. However, some factors affect negatively upon achievement of ventures that decline the performance and effectiveness of companies. Organisational culture and structure consider as internal factor that put direct impact upon achieving financial and non-financial performance of Easy Jet. For example, a company structure allows employees to perform their role and fulfil duties in appropriate way, by obtaining knowledge related to business functional and operational units. As organisational structure specifies which department work with whom and how, in order to achieve strategic aims such as productivity enhancement. On the other hand, a company culture supports employees to reach target, by providing candidates workplace facilities and driving management attention toward developing new policies.

Both organisational culture and structure has a strong relationship that affects airline success and growth in varied ways. For example, Easy jet management adhere task and role culture on the bases on which management takes action to divide teams based on their skills and knowledge, instead of age, gender and other discriminative features. The core values of airline workplace culture are collaboration, leadership, accountability, quality, integrity and diversity, which management is accountable to consider in appropriate manner. As it helps them to support employees who are working under a specific organisational structure that help to maintain the positive culture for longer period of time.

Airline culture connect individual person together and encourage to work in effective manner by playing essential role at similar workplace. However, structure direct people, how to work in productive manner by focusing on certain responsibilities relate to job position or designation in the Easy Jet.

Evaluating wider environment of airline by using relevant environmental & organisational analytical tools

Environment analysis of the businesses allows firm in examining influence of external and internal factors over business. In context with the Easy Jet environmental analysis tools has been described below-

Pestle analysis

An analytical tool helps in examining external factors influence over business functionalities it comprises of factors discussed below-

Political: Political stability, government laws and others are political factor that influences organisational operability. In context with the EasyJet there is a significant impact of political stability over airline functions, for instance UK's exit from European union has driven political implications over EasyJet. Due to Brexit event company have faced major challenges in running its operations within EU and also has limited airline's ability to continue freely operations across EU countries. Further international relations between countries also impact profitability of EasyJet, for instance political tension between countries can disrupt flight schedule. Likewise, security issues are another political factor that impact EasyJet, increase security mechanism is increasing overhead cost burden for the airline and also leading to decreased demand for air travel in certain areas.

Economy: Fluctuations in inflation, interest, GDP and other economic rates influence performance of EasyJet in aviation industry. Since EasyJet operates in many countries so fluctuations in currency exchange rates affects company's operability. For instance, changes in oil prices affects profitability of airline it mostly creates cost burden for the firm. Likewise increasing inflation and interest rates impact cost factor of analysis, for instance greater interest cost can raise the price of borrowing for capital expenditures like buying new aircraft. Additionally, due to covid-19 pandemic inflation rate is seemingly higher that is impacting consumer spending power leading towards reduction in air fare. Greater unemployment rates also reduce demand for the air travel, as travellers have minimum disposable income to spend on trips. Conversely, low unemployment rates can enhance demand for the air travel for EasyJet.

Social: Demographic trends, cultural belief all falls under social category of Pestle framework, changes made in this factor have influence over economic health of EasyJet (Haider and Yean, 2023). For instance, greater interest in adventure tourism can affect the areas EasyJet serves, similarly increasing trend of digital nomadism can drive demand for travel as people are not tied to a specific destination for work. Additionally, EasyJet operates in various countries so it is essential for them to be mindful of cultural differences and set their marketing strategies accordingly, otherwise failure in this can affect business operations in that particular country. Also changes in customer behaviour during post pandemic is another factor forcing firm to offer less

crowded destination to their customers and also increased concern related to hygiene standards is forcing firm to focus on cleanliness of its aircrafts to offer secure travelling measures to end users.

Technology: Emerging technologies like Artificial intelligence, robotics, online systems, digital tools are anticipating market domain (Zapletalová, 2023). As rise of online booking system has revolutionised whole travel sector, EasyJet also have online booking system which allows their end users to easily book flights and manage their bookings. Thus any advancement in this technology can impact EasyJet. Further, mobile technology is another technical measure which EasyJet offers like mobile boarding passes services and flights updated through mobile notification, company ensures to maintain its pace with technological trends to meet changing customer needs. EasyJet also have automated bots that ensures delivery of best services to customers, while Chat-Bots available on site provides real time query solutions to customers. In addition, rising cybersecurity concern is forcing firm to increase its security mechanism to avoid any malicious activity that could harm airline's reputation.

Environment: Climate change, pollution and other environmental concern has been impacting EasyJet since aircrafts causes more pollution in air (Mhatre and Mehta, 2023). The aviation sector is one of the significant contributors in carbon emission in atmosphere that is causing climate change and other harmful causes that is affecting ecosystem very badly. Thus there is an increasing regulation pressure on airline companies to minimise their fuel emission otherwise liable to face legal consequences. Therefore, investment into carbon credits is increasing operating costs for the EasyJet. Likewise, sustainable aviation fuels are more expensive than conventional jet fuel, investment in this is increasing overall cost burden for EasyJet. However, airline must need to invest in this in order to prevent from higher legal penalties.

Legal: Aviation regulations, employment law, data protection and privacy laws have influence over EasyJet (Acevedo and Diaz-Molina, 2023). For instance, airline is subjected to a various regulation which includes flights regulation, safety measures, issues like overbooking, traveller compensation for delayed or cancelled flights. Likewise, employment regulations impact operations of EasyJet in different areas from recruitment practices to employee compensation and working conditions. For instance, changes in minimum wages can affect airline's labour cost.

Porter five force analysis

A strategic management tool helps in analysing industry and comprehending underlying factors of profitability present in industry. Porter five forces also helps firms in reshaping its strategies and process in order to remain ahead of competition in market-

Bargaining power of suppliers: Number of suppliers available in market influences business's purchasing of raw items. Every travel and leisure organisation avail their raw resources from numerous suppliers. This power is relatively moderate for the EasyJet since airline have number of suppliers available in each country that provides raw materials to organisation in timely manner. Further organisation has efficient supply chain with multiple suppliers who provides them raw materials on affordable rates.

Bargaining power of customers: Customers in every sector holds greater power and influences pricing of the organisation. For the EasyJet this power is higher due to higher demands of customers regarding travel. Customers in airline always look for best offers at minimum price as possible that put pressure on Airline to cut its cost and offer affordable services. To cater audience needs EasyJet is rapidly innovating its product and offering discounts and other benefits to customers in order to minimising bargaining power of the buyers.

Substitute threat: When the company have close substitute of its product then they likely to face troubles in market. This power is relatively lower for the EasyJet since company have good reputation in the market and cater specific needs of the customer. further company is service oriented instead of just product oriented that makes them unique in market also company always tries to understand the core requirement of customers which helps them in offering better services.

New entry threat: Whenever new entry is made in aviation sector it influences profitability of EasyJet and put pressure on firm to reduce its cost and offer new value proposition to customers to retain them for long period (Jafari and et.al., 2023). In order to lower down this power EasyJet is constantly focusing on innovating new products and services to cater large audience needs. Likewise, company is also offering discounts on air tickets and other benefits to attract large audience base.

Competitive rivalry: If the sector has higher competition that it impacts overall competitive strategies of business. Regarding EasyJet, airline operates in highly competitive travel and leisure industry of UK. however, this power is still low for company because of their unique service portfolio that allows them to differentiate themselves from the competitors.

Based on the above Pestle and porter five force analysis company have gone through too many changes regarding technology, sustainable airline operations, changes in workplace leadership for innovation and others. Some of its key drivers for change are discussed below-

Rapid Technological advancement: Due to pressure of meeting changing customer demands, EasyJet is focusing on its technological advancement by investing into cloud computing technology. With this airline is focusing of expanding its service portfolio and offering it on affordable prices. Also because of cost saving measure firm is focusing on cloud based system by only paying for needed services and not need to make extensive investment into infrastructural investment.

Globalisation: Globalisation is another factor that is encouraging EasyJet to develop global networks by using internet for flights booking and making its services to a wider audience. Further world becomes more interconnected, there is a growing demand for the airline companies to facilitate trade, tourism and cultural exchange. Therefore, it is growing demand for the air cargo services. With the help of technologies EasyJet can easily able to expand into those countries where its functions are not yet available.

Rising incomes: One of the major factor that is causing firm to invest more on its financial health and profit margin, while also forcing them to adopt cost cutting measures to cover their interest costs.

Sustainable operations: Rising environment concern has been forcing firm to must adopt sustainable measure in its flight operations and minimise total waste as well as minimising emission. This has been increasing overhead cost burden for the EasyJet since company is facing strict environment regulations in each country in order to minimise its carbon emission. It is also forcing firm to adopt green practices at workplace by encouraging each staff to use public transportation for commute and minimising their own impact also utilising available resources at its best.

Explaining how airline has been practising some ethical approaches as a part of organisational culture and benefits thereof

EasyJet have strong business policies and norms that dictate firm's core policies, ethics, social atmosphere and values in the work station. Workplace culture impact every factors of the

workforce from recruitment and termination, to efficiency, to the presence. There are ethical approaches which EasyJet is prevailing are discussed below-

Disciplined work culture: EasyJet is more related to disciplined workplace culture with the vertical hierarchy and tall workplace structure (Repper and Eve, 2023). It further means that management team plays a maximum role in making decision and controls behaviour of employees, here creative and innovative work behaviour is encouraged by rewarding the workers with different monetary and non-monetary benefits. However, the empowerment and autonomy for the employees is still limited because of airline's inclination towards strict disciplined culture. Moreover, EasyJet is focusing on decentralising its structure in order to transfer some authority from top to bottom in order to maintain positive workplace environment.

Timely performance evaluation: EasyJet is leading airline company who focuses on innovation in its service portfolio to increase its revenue shares. Company is more inclined towards healthy workplace environment for the workers, where company offers perks, health and safety and other benefits to its employees. Management team of the company always ensures to conduct timely performance analysis of the employees and conducts knowledge development trainings accordingly.

Open cultural system: This system of EasyJet allows them to ensure greater information flow at workplace and leveraging the skills, competencies and knowledge of the workers from diverse backgrounds. This system has been increasing ability of airline to timely respond to changing requirement of end users in different geographical location. Further open communication allows firm to easily communicate information with each of its employees resulting into better task performance.

Diversified work-place culture: EasyJet have diversification at its workplace where management team of the company always recruits candidate by considering their level of knowledge and competencies, where employers also ensures that no person has been discriminated on a ground factors of disability, race, ethnicity, different background and others. Due to this company have diversification at its workplace where different background people comes together and shapes meaningful decision process of firm (Hoang, Yang and Luu, 2023).

Ethical leadership vision: EasyJet always gives authority to those who reflects best acceptable behaviour at workplace. Ethical vision of leader at workplace allows company's employees to perform more well and deliver optimum quality work. leader of the organisation always allows

each individual to equally shares their views in decision process and also delegate work by considering their level of knowledge and interest allowing them to work more efficiently.

Adherence to the law: Workplace ethics typically involves legal regulations and obligations workers must follow. In context with the EasyJet, company always ensures to follow every regulation in order to prevent from any legal consequences and also ensures that every individual at workplace is abiding with the regulation. For an instance company have gender diversity at workplace which allows their female employees to equally avail opportunities as like male employees. Further company also have female higher authority that leads work, also fair compensation and other aspects allows business to maintain healthy and positive workplace environment. Additionally, company allows their employees to avail their rights, while closely follow up of employer-employee rights allow firm to maintain its diversified workforce.

Ethics training for employees: EasyJet conducts ethics training for its staff when they initially join company. Employers of the company dictate all rules and regulations to new staff it helps them in abiding with laws and behaving ethically at workplace.

Thus these are the ethics approaches which EasyJet follows at its workplace, due to this company is experiencing innovation and creativity in its airline operations because of equal opportunities and autonomy given to each individual at workplace.

Providing suggestions to organisation to improve its business performances

Integrate ethics into corporate culture: It has been recommended to EasyJet to improvise its workplace culture in concern with ethical workplace behaviour of each individual (Alizadeh and et.al., 2023). Company need to focus on building a sense of trust with its workers and shape workplace structure accordingly. Also by creating sense of clarity and goal for the workforce can helps them in working accordingly towards achievement of desired goals. organisation must need to continue communicating and educating workers about core business values and ensuring they are reflected in and has been discussed in everything from recruitment with new hires, on-boarding new joiners, companywide meetings etc. Therefore, once these values have been shared across the business then process must be developed to hold workers accountable for any actions that cross ethical violation.

Foster an environment where learning from failure is allowed: It is important for the EasyJet to allows their workers to grow morally, for this company must need to work on its culture by enabling each one to learn from their mistakes. Instead of criticising employee's bad performance company must need to look into the matter first and then allow worker to improvise their mistake and work more passionately to avoid such mistakes. In this type of workplace culture employee always appears to be satisfied and maintain their workplace commitments.

Promote humility: It is crucial for the firm to realise that helping people to understand unethical workplace behaviour is not mainly an outcome of a few bad behaviours, but also it leads everyone as susceptible to moral failures. Therefore, this understanding among everyone at workplace can help firm in minimising or completely eliminating ethical nuisance. Additionally, it is suggested to firm to conduct ethics training in timely manner for everyone so that everyone improvise their behaviour and work in accepted behaviour that promotes trustfulness, integrity and team work at workplace.

360-degree feedback system: It is highly suggested to EasyJet to implement 360-degree feedback system at workplace that helps in increasing employee self-awareness and finding their core strengths and weaknesses. In ethical workplace culture it is important that everyone is aware of their own behaviour in order to behave accordingly. Further comprehensive nature of the 360-degree also allows workers to acquire better understanding of their attitude and work approach, ultimately leading towards improvised work performance. It is also recommended to firm to provide constructive feedbacks to employees that allows them to improvise their work and delivers most optimum result to business. This system can help firm to collect feedbacks not only from employers but also from subordinates, direct reports and sometimes even from customers. Thus it can help in adjusting work condition that favours each individual.

CONCLUSION

From the above report it has been concluded that changes made in micro and macro environmental factor can affect operability of organisation. Present report has studies case analysis of the EasyJet an Airline organisation, where comments has been made over its workplace culture and structure. Further it has been specified and how both culture and structure impacts profitability of organisation where better leadership vision in it leading firm to attain its desired goals and

objectives. In above report discussion has been made over key drivers for the change of organisation, where sustainability, technological advancement and other key points has been highlighted that is continuously encouraging firm to adopt changes and meet dynamic market requirement. Key use of porter five force and pestle strategical framework has been analysed in report along with description about factor's influence of airline company's health. Lastly ethical approaches of business have been evaluated while key recommendations also provided to improvise airline's performance.

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