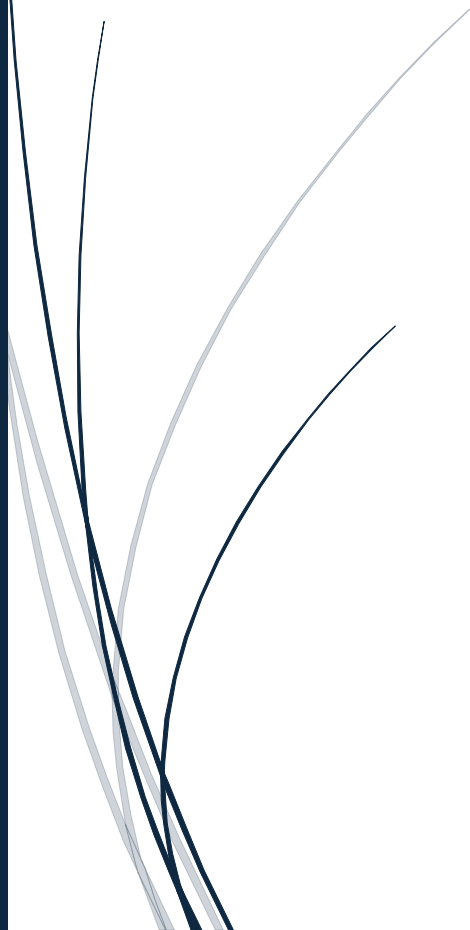


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A report analysing culture, leadership and change: Richard Branson and Virgin

Managing Tourism, Leisure and Events
Organisations (BMTP4004)

Neil Dyer



Amber Treharne (2502316)

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I confirm that I have not used any AI tools in the research and creation of this assignment. I confirm that I have not presented any AI generated materials as my own work. I confirm I have copies of my drafts, notes, and other resources I used, which I may be asked to provide in evidence.

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Introduction

The leader chosen for this report is Virgin Group founder and entrepreneur Sir Richard Branson. Branson has shown a range of experience in business and organisation. Starting since 1970, he has founded successful businesses such as Virgin Records, Virgin Atlantic and Virgin Galactic, but not without their challenges and major risks. Virgin Cola and Virgin Cars were unsuccessful brands as Branson encountered issues to create unique ideas in these sectors for something truly beneficial for their consumers. Although these failed companies seemed like setbacks, he implied that they were essential for learning and expanding the brand. Branson is not afraid to take risks, using the motto “screw it, let’s do it” (Branson, 2006) to inspire future leaders to say “Yes” to all experiences, being unafraid to fail as these challenges are opportunities to learn (Feifer, J. 2017). This mindset has derived from his range of business experience and love to be challenged under pressure. This influential leader has since created over 40 different companies worldwide under the Virgin brand (Virgin Group, 2023) including an airline, cruise- line, holiday company and hotels; directly linking to the travel and tourism sector.

This report will explore the themes of leadership, change, behaviour and organisational culture. Richard Branson’s approach to leadership can help manage change, shape his team’s behaviour and culture in the business as he puts his employees first, making them feel valued; suggesting how he cares deeply and has trust in his team (Panesar, 2022). This impacts everyone positively, communicating openly as a team and having the freedom to innovate due to their culture where they reward employees for their hard work.

Organisational culture, structure and leadership

Management sets the decisions for how employees behave at work as they can create a positive work culture. Structure matters in tourism and events as people in this sector work in a service industry which needs to be clear and consistent. They need clear responsibilities during events for them to run smoothly and for the safety and security of customers.

Branson is an inspirational leader rather than a manager as he has a vision for change and to inspire others, focus on motivating and encouraging team members. A positive leader needs to be able to adapt and innovate whereas managers focus on implementing systems, planning resources and setting deadlines (Cloud and Leturmy, 2023, pp. 75–80). Entrepreneurs should have a balance of leadership and management to have a successful business. This is useful for leaders to adapt to all challenges they may face. Structuring the correct team also applies as identifying specific skills to compliment others ensures that everyone has responsibility and shared goals. According to Dr Belbin's research, there are nine roles needed for a team to fulfil specific traits, strengths and weaknesses which collectively help a team to succeed (Belbin, 2025).

Leadership and change management: Virgin trains incident

Branson has had many challenges he has had to adapt and learn from in his career. These include crises, economic failure and many external factors out of his control. He describes in “Business Stripped Bare” the Virgin Trains incident in 2007, resulting in death and many passengers seriously injured due to the new train travelling over 100mph, skidding from the track. Branson dealt with this by communicating with the team efficiently for them to get to the incident together, avoiding issues with transport and his location at the time. Richard Branson led the team by showing immediate on-

site response. The leader suggests the importance of getting to the scene as quickly as possible as the boss of the company (Branson, 2008, pp.171- 177). Empathy in his business shines throughout as he writes how the train driver and all onboard staff continued their duties despite risking their lives to protect their passengers as much as possible.

After the incident Branson faced some damage to the reputation of Virgin trains and PR negativity as many blamed the safety of these new trains for the disaster, but the design of them was praised when it was revealed that the cause was only the unsafe tracks. If these trains were not as robust by staying together during this there could have been many more casualties (Swinford, et al. 2007). Dealing with media quickly and being open and honest to them about what had happened was vital in a crisis like this to prevent damage to the company altogether. A strong presence of empathy is highlighted here when the leader took full responsibility for the tragedy to visit those injured and their family members. He was urgent to find out the cause of this was completely out of Virgin's control, therefore all that could be done was to reinforce the company culture.

Leadership and change impacts during Covid -19

It is only recently that Virgin Atlantic have recovered from the Pandemic (Gill, 2025), as well as many other airlines and travel companies around the world. Many businesses had become bankrupt at this time, but Virgin's flights were put on hold, hotels and health clubs were closed temporarily (Kollewe, 2023). In connection with Lewin's change management model, Virgin's "unfreeze" stage could consist of the team preparing for the impacts of Covid – 19. Branson and his management needed to change their mindsets to communicate and adapt urgently. Originally, their plan was to leave 8,500 employees without pay for eight weeks (Marris, 2020) to support the company financially and save jobs in the long term. This could also be seen as the

“storming” stage as the team slowly realised this was not as easy as it seemed. Conflict was raised and the team started to become hostile when put in this unknown environment if they going to be paid, or even have a job (Tuckman 1965, cited in Bonebright, 2010). At the same time, the government rejected Branson’s request for bailout and instead private investors initiated a rescue deal; over 3000 workers lost their jobs, and their base was closed at Gatwick airport. Branson “changed” the event by taking action and finding solutions to rescue the business as well as keep as many staff as possible. Finally, when the leader reinforced the change, hired and trained new staff it could be considered the “refreeze” stage (Lewin 1947, cited in Burnes 2020).

Richard Branson’s Leadership Style

During change Branson’s leadership style influences his team and work culture when he puts his employees and customers first. For example, during the pandemic, he remained positive and hopeful when trying to find the best way to save the business and for staff to keep their jobs for as long as possible. The collaboration between Virgin Media and NTL also suggests this as he empowered these employees to put down their scripts and be determined to solve customer’s problems authentically (Branson, 2011). Branson’s leadership style can influence his decision making in Virgin as he inspires, motivates and empowers his team, focusing on personal growth; implying he could have a transformational leadership style. Research shows this in Virgin’s company values as they focus on putting employees first, motivating and empowering them to be the best versions of themselves (NHS 2024). A transformational leader will make their team feel valued; leading teams who are motivated to work harder experience less burn out and add more vision to their team (Inam, et al, 2019).

Burns (1978) and Bass (1985) imply in their research that companies with transformational leaders could have increased work performance above their leader’s expectations because they consider employees needs in depth compared to transactional leaders (Winkler, 2010, p. 39–43). Although depending on the needs of

the organisation, entrepreneurs need a balance of transactional and transformational leadership for their business to benefit from both qualities (Kotter, 1997).

Culture and people impact in Virgin

Organisational culture is “the way things are done around here” (Deal and Kennedy, 1982, p. 49). It shapes behaviour at work, how we communicate and form teams. Richard Branson’s approach to managing people, teamwork and company culture has helped the company during change as his attitude to work and style of management reflects how his employees think and feel. A HR specialist described Virgin Atlantic’s work culture as an amazing inclusive environment. They implied that everyone works well together and are relaxed. But on the other hand, work -life balance should be improved (Indeed, 2025).

During these occasions of change, Virgin’s values and company culture help the organisation collectively as employees feel trusted and supported, therefore during change they will be less likely to feel as much stress as perhaps leaders with other leadership styles. Despite this, relating to the company’s culture, during Covid some staff responded positively in hope that they would not lose their jobs by sacrificing eight weeks pay but Branson betrayed their trust after firing employees and finding completely new staff to train instead, leaving the original staff in a furious attempt to sue Virgin (Topham, 2024).

Branson empowers his staff by teaching them how they need to solve customers’ problems within one call (Branson, 2011) as they will learn and develop in the workplace when they have more responsibility to do tasks efficiently on their own. He

implies that the correct staff need to be employed in order to work in a team together, learn from each other and innovate. He values sharing ideas between those who are enthusiastic, dedicated and determined. This relates to Schein's theory of organisational culture as Virgin has a clear positive and fun work environment in their branding, strong values and underlying assumptions such as empowering staff, learning from mistakes and putting employees before anyone else. Branson's business is constantly adapting, linking to this theory as through every change the company learns and grows. Virgin's "artifacts" could be seen as their iconic marketing, their "espoused values" as their philosophies like "Changing Business for Good" (Virgin, 2021) and the underlying assumptions at its core. This is the deepest part of the culture which could be seen as Virgin's commitment to empowering their staff, trust and transparency in the workplace (Schein, E.H. and Schein, P 2017).

Leadership, people and culture recommendations

Virgin's typical flat structure was present during the beginning of the pandemic as there were unclear directions and communication but as the company raised more concern it could be seen as adapting to a more hierarchical structure. Although it could have been beneficial in this instance allowing the company to act more efficiently, on the other hand it left customer-facing staff with no voice or opinion for change. It may have led them to make the incorrect choice if there were other options to save the company, unlike Branson's statement that Virgin's employees are their top priority (Mistry, 2017). The idea for employees to sacrifice pay temporarily to keep their jobs in the long term works as this is perceived as a temporary change. But this should have only been initiated and communicated if the company was certain on the condition of the crisis and their financial stability to save the business. Even though some will argue this billionaire should have profited towards employee's pay at this time, he was constantly losing revenue due to the crisis therefore his priority shifted to his business from his people-centred culture.

To help Branson's organisations succeed in the future he could improve talent management. This means hiring the best employees to align with Virgin's values and company culture. Companies with effective talent management are more adaptable to change as they work well as a team and achieve shared goals, specialising in their specific skillsets. According to Sharon et al. (2017), to enforce a talent management strategy this leader could identify talent needs and gaps to create a recruitment plan. He could also improve leadership by leading from research more than intuition when it comes to decision making. As Branson's failed companies show that they may not have been thought out completely; some need to have more purpose and be planned out thoroughly (Branson, 2019).

Conclusion

After consistent research it is evident that Richard Branson is one of the world's most inspiring leaders famously recognised in tourism. What works well during change is his determined approach to leadership, creative innovative thinking and empathy from transformational thinking. Branson's leadership could be improved by having a clearer organisational structure so that there are clear reporting lines and back- up plans in place where the business needs to adapt quickly. Despite embracing risk taking, this can also impact the culture negatively during change as it can sometimes be too uncalculated where factors are easily at risk for his other companies or employees further down the hierarchy. Besides the negative aspects, a positive company culture is something every leader should develop, especially on occasions of change. Employees will feel supported and encouraged to work hard when their entire team follow the same values.

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