

Virgin organizational culture



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Virgin Groups (History)

Virgin was started in 1970 by Sir Richard Branson. Today, it is one of the world's biggest brands in many sectors like financial services, travel, music, transportation, mobile telephony, music and fitness. With 300 companies worldwide, virgin employs about 50, 000 people in 30 countries, its global branded revenues in 2009 £11. 5 billion (About Virgin, 2010).

In 1968, Richard Branson issued his magazine student. To the surprise of his family he sold 50, 000 copies of his magazine. In 1970, he dropped out of school and started Virgin, it began as a mail-order record company, at that time a new has been introduced that enabled people to sell records at prices that were discounted and Branson took advantage of this law. Branson new company was an instant success, sales boosted. Then, a postal strike negatively affected the mail order business. Branson changed his strategy. He opened a small record store and it was successful, many other stores followed. Many setbacks followed the strike such as tax rates and labor strikes. However, Branson's character helped him overcome these obstacles because he enjoyed overcoming new challenges. He chose to name his company virgin because it means his lack of knowledge of the type of business he entered into. In the late 1970's Virgin sponsored many bands that became very popular in the UK. During the early 1980's Branson started the airline industry by flying people between America and London. He offered entertainment and unique features for passengers. During the early 1990s Virgin Atlantic opened routes to Tokyo, Greece, Hongkong and several U. S. cities Branson continued to sign records with big stars and make millions of dollars and expand his stores to new areas.

Branson's extraordinary management methods was one of the key reasons of Virgin's success during the 1970's and 1980's, Branson favored slacks and sweaters and abandoned the traditional formal workplace suits and ties, furthermore another technique that Branson used was that he operated his holding company from his private barge relying on his personal assistant to keep him in contact with his administrative staff, Branson's barge was located in the industrial regents canal (Virgin Groups – Company History)

Introduction to Organizational Culture

Cultural Functions

It is hard to define a culture in a single way; culture is a broad word that can be adjusted on each and every nation differently. Not limited to nations, societies, and individuals, culture can be seen everywhere even in companies and organizations. Culture contains several values, principles, beliefs and behavioral style, artifacts, language and ceremonies, inside and outside an organization, where the employees can contribute to the organization within its rules and borders. In the industry each and every union customs their own traditions, an organization will set its own culture based on its needs and requirement to represent itself (Components of Culture, 2005).

The organizational culture is important to identify the company's identity which will be successful by introducing three important functions (Principles of Management, 2008):

- Control system: this function basically states what the organization managers and staff are allowed and not allowed to do, it stays within

certain rules that the work force of the company should follow, and it states their behavior.

- Social glue: it is driving the employees to feel more belonging and integrated to the organization as it fitful their needs and social networking, and to be an important role in this company.
- Sense making: this important area helps the employees to understand how the company functions, what are their goals, vision, values and how do they practice in their daily life to move forward with it.

These important functions also apply on Virgin, since the 1980's Branson had his own unique style of management. He gave managers the authority and full control over the projects that he established. He heavily relied on a group of executives that he selected, he trusted them and allowed them to work in their

Divisions with minimum interference, based on their performance Branson offered his executives high-value incentives. An example of Branson's innovative techniques to break up his large-less personal organizations into smaller units he disbanded his record enterprise into five companies by the late 1980s, each of which focused on different artists and bands. In addition, he empowered his employees to take risks without fear of failure. He is also well known to be an adventurer and a risk-taker (Virgin Groups – Company History)

Adaptive Culture

Ethical Culture

A culture of an organization is not only affected internally, it could also get affected externally, where it is very important for any organization's culture

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to be adaptive to change as the employees focus on changing the culture aligned with the environment surrounding it based on its needs and to keep track with the changes (Principles of Management, 2008). To create adaptive culture, there must be a strong communication between the staff and departments; therefore Virgin's way of communication is well-built, where Branson is accessible easily for all staff to listen, understand what the employee needs to take this company to the higher level. Branson is a good example of a manager, where he gets to fly in the economy class and help in serving food, that makes him live the moment and observe what needs to be changed in his company (Brown, 2010).

An organization should not only have an adaptive culture, but also it should encourage having an ethical culture where their employees can practice their values ethically and competing with honor (Principles of Management, 2008), for instance Virgin airlines; they look for people who are optimistic, enthusiastic and humble. The airline uses behavioral event interviewing, in which applicants are asked questions to

Indicate particular behaviors and motivations that align with a Virgin Blue personality template (Breaking in a new culture: the Virgin Blue story, 2010).

Strengthen the Organization

Cultural Strategies

Changing and strengthen the organization culture could be done in so many ways, one of the factors is the actions of the leaders and founders where they got the opportunity to set the standard for the company (Principles of Management, 2008), just like what Virgin's high profiled leaders did, the

reason behind the success, it is because it has 12 members who were there from the start and they established the culture of virgin (Breaking in a new culture: the Virgin Blue story, 2010). Another way of strengthen the culture is by consistent rewards for the employees to encourage them to behave in a certain way, not limited to rewards but in addition selecting and socializing employees that could blend in with the organization culture. Moreover, aligning artifacts where sharing the stories and the support of the culture and celebrating their goals (Principles of Management, 2008). Virgin did not neglect their employees, Branson is a generous man, where he opens his house for staff parties, send them Christmas gifts, give them responsibilities to make them have the sense of ownership as they are well treated with autonomy (Brown, 2010)

Nothing comes without planning and strategizing, so does the culture where there are some strategies to merge different organizational cultures (Principles of Management, 2008):

- Assimilation: it is when an employee gains the cultural values from a company, and it works best when a company has a weak culture.
- Deculturation: it is basically stripping a company from its own culture and enforce new rules and values on it, and this happens when a certain culture doesn't work for a company that needs to change.
- Integration: it is based on combining two cultures into one advanced culture and put it into the best picture; this case can work in an existing culture to improve it.

- Separation: this case happens while merging companies, however, they agree on remaining different as their business pattern requires different cultures.

Conclusion

Virgin have their own values such as value for money “ simple, but not cheap”, quality values, values for challenges, brilliant customer service, enjoyment and having fun “ Humor, but not offensive”, and last but not least value for innovation “ Thinking outside the box” (Brown, 2010).

To conclude, culture is an important broad topic, and it shapes the identity of an individual or a company, it is recommended for every new entry in the industry to clarify their values, beliefs and rules to have a strong presence in the market, any organization’s culture should always be fit within the environment, moderately strong and adaptive, managers should always be aware of presenting their brand in the best way possible, and culture is one of the elements that will help creating the company’s brand.