The evolution of British Airways (BA) from the late 1970s to the start of the 20th century represents an example of organizational transformation in response to both external and internal crises. This report evaluates the transformation over two key decades, from 1980 to 2000, considering the obstacles to organizational effectiveness, things to learn from the approaches taken by management, an explanation of employee reactions toward managerial decisions, analysis of BA's stock price within this period, and some suggestions toward both managers and employee, showing the whole process of fighting between power and resistance.

Improving organizational effectiveness within a complex environment like BA presents a massive number of challenges. From a managerial perspective, cultural transformation and internal resistance are primary concepts that can be discussed.

The entrenched culture at BA is an obvious obstacle. This culture, which can be viewed as a hierarchy, stays tenaciously and keeps controlling the behavior of both its executives and employees. This legacy is a clear manifestation of Lukes's concept of one-dimensional power—behavioral power (2021). Behavioral power, or so-called decision-making power, means person A has the power to make others do something they are not willing to do in other scenarios. (Dahl, 1957). In the case of BA in the 80s, although seemed to be providing a better environment for employees, the attempt of transforming into the "Putting People First" culture still faced some resistance from lower levels. On the other side, the actions taken by executives when facing the strike from employees around 1997 shows another scene of this

hierarchical culture. The old culture has never really been changed or replaced by the new "Putting People First" culture.

The internal resistance faced by BA during the cultural transformation in the 80s can be understood through the concept from Foucault's theory. Where there is power there is resistance. Power is not merely a tool or a resource possessed by individuals or groups. Instead, it is a relational force that operates and moves within society (Foucault, 1997). In the transformation in both the 80s and 1997, BA faced huge internal resistance, no matter what outcome the transformation wants to bring out, showing the importance of internal voices.

Several key concepts can be seen and learned from the approaches taken by management in the transformation to improve organizational effectiveness, including balancing power and resistance, changing the types of control, and the ability to learn and adapt continuously.

Resistance is encountered during the transformation at BA. During the times when Colin Marshall trying to shape the culture within the company, actions such as showing participation more than plain employees, involving them in the process, and showing up in the frontline facing both workers and customers are taken. Executives tried their best to minimize resistance by showing empathy and understanding toward employees. On the contrary, when a big change is needed in the company again, Bob Ayling seems not successfully balancing power and resistance. By taking actions that strengthen the image of power, the internal resistance therefore been formed

and grown significantly, causing a huge loss in the following years.

The transition of BA in the 80s reflects a shift in managerial control patterns. In the old days, typologies of control could be divided into three: simple, technical, and bureaucratic control (Edwards, 1979). A major aspect of BA's managerial decisions in the 80s are focusing on changing the company culture from a traditional, bureaucratic model to a more customer-prior and service-focused one. Moving away from traditional Taylorism, the company embraces more balanced strategies between direct and indirect control. Its approach to control evolved to be less about hierarchy and more about empowering employees, fitting the modern forms of control.

One more significant key point from BA's experience is the need for non-stop learning and adaptation. The aviation industry, like many others, is subject to fast changes. The company's ability to adapt its strategies in response to the changes is crucial. As the managers introduce better strategies and culture in the "Putting People First" culture transformation, some old and entrenched stuff remains the same, causing huge conflict in the near future.

On the other hand of BA's management approaches, the diverse reactions of employees toward their decisions are essential materials to understand and study as a significant organizational change goes.

BA implemented massive redundancies in the early 1980s, which may have created an atmosphere of fear and uncertainty among employees even as the company shifted to a more positive culture. As Colin Marshall introduces a

new culture to save the company from the edge of failure, the extent of the culture transformation is actually open to question. The mixed message of job cuts followed by a caring and warming culture leads to a result of constant conflict between employees and management, making the old culture more entrenched and harder to eliminate.

As the structural factors that provide the basis for the company's success are under threat, a new, so-called bullying by TUC and *The Economist*, policy appears, and the fear and uncertainty hiding under employees' shade are brought back to surface. In employees' view, the "fake" and "indoctrinated" culture skin finally gets revealed, and a strike therefore breaks out; however, the "Putting People First" culture is probably just not being spread enough, and it is not just simply a fake hope provides by Colin Marshall. As the threatening messages from British Airways increase in all perspectives, employees gradually lose their hope in the management and the new culture, strongly believing that the gulf between management and them is nowhere to hide. The gulf, in the end, led to a dissent within the company and a huge loss that forced Bob Ayling to resign as chief executive.

The stock price history of British Airways from the early 1980s to the early 2000s mirrors the company's journey through management changes and operational challenges. A small drop occurred in stock prices around 1981 to 1983, which can be attributed by the 40% staff number reduction; and, what follows was a non-stop rise in price till the late 1990s. As Colin Marshall steps in and triggers the cultural change within BA, the stock prices rise in response, reflecting a relatively optimistic vision seen by the investors.

The sharp decline around 1997 to 1999 correlates with the huge strike by BA cabin crew and other employees. The strike highlighted the deep-root of hierarchical culture existing in BA, causing disruption to airline service, significant financial loss, and an obvious drop in the confidence of investors. The price faced an extremely incredible rise in 2000 following the resignation of CEO Bob Ayling. The resignation comes after a series of unpopular decisions internally, and the departure of Ayling shows up as a turning point for investor's confidence in BA; which, probably being a little bit too much at first and thereby leading a following price drop a year later.

During the two cultural revolutions that happened in British Airways, several actions and principles could be conducted or followed to balance the needs and the reality. For managers, enhanced communication and consistent policies are two important principles. A relatively transparent and face-to-face communication with frontline workers done by Colin Marshall leads to the trust of most of the employees. Managers in 1997 might benefit from a more open share and talk on the financial and structural pressures BA faces. Furthermore, ensuring consistency in the company's hiring principles and culture is definitely crucial. Trying to strike a better balance between what the company values and what the managers actually did could have helped maintain the faith within the internal environment. For employees, having better communication, or having better involvement in dialogue with managers could be a direction of improvement. Providing feedback on changes in the form of a group can share their view within the company and, possibly, lead to a softer way of cutting their payments and allowances.

Conclusion

In summary, British Airways' rise from financial difficulty to a position of admiration in the aviation industry packaged the complexity of improving organizational effectiveness in an enormous and established company. Internal, operational, and strategic challenges show up consistently on the path of redefining the airline, making the unpredictable boulevard BA passes a great case to study. As the industry and the world change rapidly, maintaining flexibility to learn and adapt continuously is vital for no matter British Airways or any other airline.

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