

Organizational Assessment – Southwest Airlines

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Statement of the problem

“We are committed to provide our Employees a stable work environment with equal opportunity for learning and personal growth. Creativity and innovation are encouraged for improving the effectiveness of Southwest Airlines. Above all, Employees will be provided the same concern, respect, and caring attitude within the organization that they are expected to share externally with every Southwest Customer” (Southwest Careers Page). Southwest’s commitment to its employees is what drove me to want to choose them as the company to follow. In early July, an article was published regarding how its CEO Gary Kelly, has revamped the organization after a poor 2018 with “4.1 percent higher” (Sokolove; 2019) revenue increase in 2019. “We’re asking our employees to be servants, to serve customers, and to be hospitable. If they don’t feel like they’re treated the same way, there’s little chance that will translate” said Southwest CEO Kelly (Sokolove; 2019). Southwest Airlines has created a revolutionary strategy with the positive culture they have adopted for employees and that transpires to its ability to be a profitable organization.

Southwest is an American-based airline headquartered in Dallas, Texas; it was founded 52 years ago and flies to approximately 100+ destinations. (Southwest Website). According to Indeed’s database of employer reviews and rating, Southwest Airlines was ranked as the third best workplaces for 2019. It was the fourth year that Southwest broke the top five rankings as the best workplace from nearly 150 million employer reviews (Connley; 2019). It is the benefits of working for Southwest that plays a significant role in its success. Happy employees lead to satisfied customers, which is what drives profit. With the wellness rewards, health benefits, retirement plans, training, and development programs, it’s no wonder people are flocking to work for Southwest. On the Indeed employer page for Southwest Airlines, they have an overall

rating of 4.3 out of 5 with extremely positive employee reviews. Below is part of one review that was reiterated in many of the ratings. “The culture is great to be a part of, it’s like you are working with family. In my tenure at the organization, I have never seen an employee leave because they weren’t happy with its job” (SW Company Page).

Another reason I had chosen Southwest is because of my personal experience with this airline. The customer service with its staff was so unbelievable on my first flight with them. My sister was injured and on crutches and the team allowed us to board first, secured us our own row and provided her a pillow for her leg. They were so compassionate and understanding of the difficulties of traveling with someone injured. Customers appreciate organizations that show care and regard for them and who treat them like a person, not just another number.

Southwest revamped its organization when its new CEO Gary Kelly stepped into the role in 2004. “Under Kelly’s leadership, that Southwest Airlines has grown from being a niche industry rebel to a dominant player” (Sokolove; 2019). Kelly revamped the organizations’ reward program, bought out AirTran Airways, purchased larger fleets, and redid its online reservation systems (Sokolove; 2019). What Kelly did helped to create more jobs for the organization (nearly tripled from an initial 25,000) and make the work of the employees less stressful. “We’re asking our employees to be servants, to serve customers, and to be hospitable. If they don’t feel like they’re treated the same way, there’s little chance that will translate, Kelly said” (Sokolove; 2019).

Analysis of the opportunity

The **organizational culture** of Southwest Airlines is what truly has the most impact on the organization. "A culture must ensure that individual members internalize its values, beliefs, and norms - in other words, speak the "proper" language" (Cheney et al.; 76). Southwest is open

and honest regarding its values and beliefs and keeps them listed on its website. They call it 'Living the Southwest way' which is having a warrior spirit, a servant's heart, and a fun LUVing attitude. Another part of its values is called 'Work the Southwest way' which involves work safely, wow our customers and keep costs low. Southwest is an airline built on having positive customer service experiences, and to do this, they start by creating a strong internal organizational culture. According to the cultural iceberg, in every organization there are observable and not observable factors that affect the culture. The above the surface values that many people are aware of would be the benefits that are evident to the eye. These include the strategy, vision, procedures, goals, and the benefits of working for the organization. For Southwest above the surface, they provide its employees with a range of medical plans for both medical and dental coverage, life insurance, and disability plans to help. They also offer retirement plans and stock purchase plans, an initial three weeks of paid time off and tuition reimbursement. Southwest also organizes volunteering opportunities and local giving events to benefit the communities of its employees. The most amazing benefit of working for Southwest is the travel privileges for employees, immediate family, and its parents. Employees receive free, unlimited travel during their employment and discounts on hotels, rental cars, and other travel discounts. These work benefits create a positive culture at the organization, as employees are happy and healthy. On Glassdoor, they created a list of some of the best under the surface perks of working for Southwest that only employees are aware of. These include: casual wear, dressing up for holidays, occasional free lunch, free hugs, beer Monday's, meals with the company executives and classes to help employees with public speaking (Weber; 2017). As we discussed this semester, the values and behaviors of the organization play a role in its success. These new

approaches to improving culture have worked to integrate the members of the organization and help them to feel re-connected to the organization.

"As leaders, a challenge is making culture distinct and purposeful and using it to support your organizational strategy. That's ultimately what will determine your organization's outcome and impact" (Baiaorunos; 2017). The **leaders and organizational structure** help to keep the organization working efficiently and effectively. As I have discussed above, CEO Gary Kelly has been working to better the organization and increase its revenue by creating more jobs. A leader alone can't create and maintain the organizational culture; it is learned by the leaders but taught and carried out by other staff members. Kelly has worked for Southwest since 1986 and started in the accounting department. In the Sokolove article, he was identified as an informed decision making who listens to his staff and customers. He has built on the culture of the previous CEO's that has always been focused on a fun, loving work environment. Southwest gives all employees the chance to be leaders by using a recognition platform called Southwest Airlines Gratitude (SWAG) points. It is a program for employees and customers to give thanks to staff members who they think deserve recognition. This works like a rewards program in which the more SWAG points you earn, the more rewards you receive through the company. In the Karen Myers Article, it discusses the **assimilation process** of the firefighters into their departments. The firefighters looked up to the older, more established members and were okay with doing the newbie scrub work. With Southwest, they use SWAG as a way to assimilate the new employees into the culture. The new employees can see how hard work and positivity can get you incentives such as flying friends for free and additional time off.

Southwest's 'people first' approach has been an integral part of its success. They provide its employees with ample opportunities to have a work-life balance, but its workplace flexibility

could use some improvement. **Workplace flexibility** can be significant in producing more productive team members and can allow an organization to attract top talent for its organization. **Diversity** in organizations can also foster innovation within the workplace, which can be beneficial to both the financial and the culture aspect of the organization. It can be easy to see workplace flexibility as making special exceptions for people; I see it as working to grow your organization with a diversely skilled group of employees. As discussed in the Kirby and Krone article, workplace family initiatives should be fully integrated into the workplace culture rather than just adopted to increase external legitimacy (Kirby & Krone; 72). Southwest offers its employees around 6-7 weeks of paid maternity leave for both adopted and birth parents; those in higher management positions are eligible for 12+ weeks of paid maternity leave. The organization does not offer any paternity leave, but they are eligible to use PTO. Many of the negative complaints regarding Southwest jobs on Glassdoor and Indeed are related to workplace flexibility. The company has been viewed to have policies that favor higher-level employees and those who have been with the company for many years. Similar to the Kirby and Krone article, employees seemed to be unsure of mixed-messages supervisors were giving on leave policy. With many of the Southwest jobs, it would be challenging to instill a flexible workplace such as for flight attendants, pilots, and ramp agents. In these situations, it becomes difficult to decide if you provide flexibility to the other employees whose jobs allow it or to give it to no one for fairness. Although maternity and paternity leave may only affect be a small group of the organization, employees should know that supervisors are open to it and working to accommodate them. This can have a negative effect on the overall organizational culture, which could be harmful to the customer service Southwest is built on.

Sensemaking is the processes by which people try to understand confusing and uncertain events or issues that occur. It helps to distinguish what might be going on and how they should react to it. Sensemaking provides a shared understanding of organizational reality, which can have an impact on decision making in situations. “Organizations are defined and constituted through members’ communicative sensemaking processes” (Murphy; 32). In the Murphy article, she described the case of the Flight Attendant Sherri who was dealing with a screaming passenger. She had to make sense of the situation by working to calm the passenger and “repair the breach without sacrificing her primary feminine performance of reassurance and accommodation” (Murphy; 40). In many situations that are not going as plan, it can help to reframe your thinking from a new perspective. Sensemaking can help employees to understand what is going on and learn how they can view the situation from a new perspective and open their minds. With Southwest, they experience sensemaking in many ways through the organization. Southwest employees used sensemaking to handle a flight delay and arrange something fun for the passengers. Usually, during flight delays, you see angry customers, annoyed and frustrated employees, and overall, just bad attitudes from all people. In one instance this past 2019 during California earthquakes and aftershocks, Southwest had to cancel several their LAX flights. At one LAX Southwest gate, the flight staff saw the bored and annoyed customers who were not enjoying their Southwest experience and may associate this situation with a negative judgement of the company. The staff arranged a hula hoop contest in front of its gate to engage the customers and provide them prizes for winning. By doing this, they were able to boost the mood of customers and attract other fliers who were interested in what was happening. There is a set culture around flying that it may not always be a pleasant experience and that staff will not be accommodating. Southwest works to change that ideal by using

sensemaking to handle situations in a positive way. The staff who put on the hula hoop contest used the fun, loving culture they were taught to create a positive experience for their customers.

Recommendation

“The meaning-centered approach to organizational communication understands communication as a complex process that creates and shapes organizational events” (Shockley; 51). Southwest does a successful job of utilizing its culture as the main component to drive revenue. They push its culture into all aspects of the jobs from pilots, flight attendants, to office jobs. “Our Culture is woven into all aspects of our business, and our employees’ lives, from the way Employees, treat each other to the way that our Company puts our Employees first” (Southwest Careers Page). The advantages of effective organizational communication in the workplace are beneficial to the success of a company. Southwest’s policies set clear standards for how employees should behave and portray the organization; it also creates trust and loyalty with employees and to the organization. Using Maslow’s Hierarchy of Needs models, we can gauge good vs. bad organizational structure based on how they need and exceed these psychological and self-fulfillment needs. Southwest works to create an emotionally fulfilling environment where its staff can grow both personally and on a work level. Although with all this positivity surrounding Southwest, there are still recommendations to help better its organization. Recently, Southwest had to pull all Boeing 737 Max planes from use after two fatal crashes on other airlines. Southwest has had to cancel around 180 flights a day due to a plane shortage after pulling its Boeing 737 Max plans. This means, hundreds of employees will not be picking up a sustainable number of shifts, and thousands of customers will have to find other flights due to cancellations. This can cause negative morale within the organization and animosity to those who may get more work shifts. “The airline’s operating income took a \$175 million hit due to

the grounding, the airline said” (Josephs; 2019). These unexpected situations can have an impact on the culture of the organization. “Many organizations use training programs to teach employees to develop positive and upbeat relational interactions with customers” (Cheney et al.; 156). A training class for employees regarding the Boeing 737 Max issues and how it will affect them and customers for the next year could be helpful to instilling a sense of security with employees. This can cause stress on the employees, which in time would cause the culture to shift.

Overall, the culture of an organization works to inform employees of the values of the organization that can influence behavior and encourage a shared view point. A strong and influential culture can push an organization to reach its full potential; when employees are happy, that transpires over to revenue. “And while dozens of airlines have filed for bankruptcy over the past 20 years, Southwest has turned a profit since 1973” (Sokolove; 2019). The people are the most valuable aspect to a company, and other organizations should take notes from the Southwest way to help improve their own cultures.

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