

Herb Kelleher and His Leadership at Southwest Airlines

At Southwest Airlines, we want our passengers to spend their time in the air, not on the ground. That's why we invented the 10 minute turnaround. Our planes pull into the jetway, board passengers, and pull out again in 10 minutes or less. The way we look at it, the quicker you're in the air, the quicker you get where you're going. Come over here.

You're going to love our Southwest spirit.

[MUSIC PLAYING]

You know, San Antonio has been our home since 1971.

Southwest brought us low fares and somehow kept them low.

From here, we fly to cities throughout the southwest and back home again.

They make flying possible when I thought I couldn't afford it.

We just want to bring low fares and good service to a great city.

And besides, they treat me like family.

And besides, we could use the money.

[MUSIC PLAYING]

Recently, another airline suggested you might be embarrassed to fly Southwest Airlines. Well, if you're embarrassed to fly the airline with the most convenient schedules to the cities it serves, Southwest will give you this bag. If you're embarrassed to fly the airline with the fewest customer complaints in the country, Southwest will give you this bag.

If on the other hand, Southwest is your kind of airline, we'll still give you this bag for all the money you'll save flying with us.

The business of business is people yesterday, today, and forever. And as among employees, shareholders, and customers, we decided that our internal customers, our employees, came first. The synergy in our opinion is simple. Honor, respect, care for, protect, and reward your employees, regardless of title or position. And in turn, they will treat each other and their external customers in a warm, in a caring, and in a hospitable way.

This causes external customers to return, thus bringing joy to shareholders. We believe that our job is not only to provide a far more reliable service at far lower fares, but also to provide a spiritual infusion, an infusion of fun, warmth, hospitality, and diligent servanthood for both employees and our passengers. The intangibles of spirit, in our view, are more important than the tangibles of things. Why?

First of all, it's a matter of morality and of ethics. But secondly, from a purely business standpoint, the tangibles can always be purchased. All airlines have airplanes. But the intangibles are far more difficult for competitors to replicate. And unless a company's paying peonage compensation, psychic satisfaction is what employees and even external customers are primarily seeking. If anyone doubts the value of esprit de corps, I suggest to talk with the United States Marine Corps. Esprit gets things done well and fast.

Communicate, communicate, communicate and communicate, but not in corporate speak or bureaucratese, which is not only boring, but hardly understandable. Set up employee services and employee care departments, which are constantly in contact with employees who have any professional or personal problems.

Show that you value your employees as individuals, not just as workers. Through word and by deed, join in their every personal exaltation, such as the birth of a baby, and their every personal mishap and grief, such as the death of a relative. You always hear from us when anything important happens in your life.

As a business becomes larger and more widespread geographically, establish culture committees. Establish culture committees in effect as missionaries to spread the word and keep the fire of culture burning. And constantly honor and constantly celebrate employees who display golden rule behavior, inside or outside the work environment. Because they're the role models for all of your people and how you want them to behave.

...bad boss, which brings us to Herb Kelleher taking his workers to new heights. Here is Richard Schlesinger.

Hello. Thanks for being aboard. How are you doing?

Good to see you today.

Good to see you. Thanks for making us successful.

What kind of boss gets employees to say things like this?

Oh! Hi!

Herb Kelleher is the most exceptional man I've ever known. And it's the way that everyone at Southwest feels about him. He is just the best-hearted. Everyone feels like family to him.

Pleasure to see you. Thanks for making me look good.

Herb Kelleher--

Thanks for being aboard. Thanks for flying Southwest.

--CEO of Southwest Airlines--

You want to frisk me?

Yeah.

--does it all for love--

Love you.

I love you, too.

--and money.

I appreciate you flying us. I love customers.

In an industry that can be mean and nasty-- Kelleher can be wild and crazy.

Halloween is-- what, is this a company holiday?

Yeah. Really, you know, it's just for everybody to have an opportunity to relax and have some fun.

But it's still a work day. Most of these people are on the clock. It's all part of the method to his madness.

I think that business ought to be fun. I think it ought to be entertaining. And so we try to create an environment where our people can be happy, can enjoy themselves, that reduces stress.

Do you think you guys work harder here?

Oh, definitely. I've never worked harder.

Work hard and play hard.

In fact, productivity of Southwest employees is the envy of the industry.

[INAUDIBLE]

The success of the business really starts with the people. If they're happy in what they're doing, then they serve the customers well.

Thank you.

Thank you.

Exhaust and brakes all set. Cargo doors are checked.

In 25 years, Southwest has grown from a small, regional airline--

I hate to tell you, but we gotta go. Bye bye.

--to the fifth largest in the country. And word of Kelleher's success has spread.

How are you?

OK.

Welcome to Southwest Airlines.

Thank you.

Managers from all over the world have come to Southwest headquarters to study his system.

People are so efficient, effective, positive, motivated.

You heard that all the way at Austrian Airlines.

Yes, yes, absolutely.

A happy employee is what? A productive employee. That's why we do it, guys.

[MUSIC PLAYING]

Taking care of business. It's all right. Taking care of business and working overtime.

From time to time, Southwest employees have paid back Herb Kelleher's warm and fuzzy ways with cold, hard cash. Southwest was making money when other airlines were losing billions of dollars every year. And when the Gulf War forced up the price of jet fuel, the employees gave back a percentage of their paycheck to help keep the company profitable.

Do I have any mayonnaise on my nose?

It's the monthly company lunch--

And it's great to be a part of the team. Thanks so much for having me.

--where they'll let anyone speak. And so since I've got, what, 400 people here today, what is it about this place that makes you all feel so good about it and work so hard? Forget that the boss is here. Yes, ma'am.

We all feel like owners. We own this company through profit sharing, through some of the stock options.

They talk about company business and personal business.

And this past summer, my father was diagnosed with terminal cancer. When I come in here and I see people, they'll stop. They'll ask, how's your dad doing? How are you doing? You know, let us know if there is something that we can do for you. And that means more to me than getting a check from Southwest. That means more to me than anything in the world.

[APPLAUSE]

It's much more than just an ordinary business opportunity for me. And I think most of our people visualize it that way as well.

How many of you would work extra hours for no pay for Herb Kelleher?

[APPLAUSE]

For no pay.