

# LEADERSHIP

**W**e are in the customer service business: We just happen to fly airplanes. Colleen Barrett, our president, shares this philosophy with new employees during their orientation.

If you take a stroll through the hallways of Southwest Airlines's University for People, you may find our vice president of ground operations talking to a frontline leadership class on how to coach employees, or you may see our chairman of the board, Herb Kelleher, addressing our managers during a strategic-planning discussion.

Or, you may want to sneak in to an executive round-table session where senior leaders spend a full day talking with a leadership group about the state of the company, the current challenges, and the future opportunities. The University for People is buzzing with excitement because we don't just say that we develop people, we do it.

"Hire for attitude and train for skill" is a philosophy we have embraced since our inception. We hire employees who embody our core values, which we call the Southwest Way. This value system consists of three crucial elements: the warrior spirit, which encompasses everything that is required to achieve excellence; a servant's heart, which means putting others before yourself; and a fun-loving attitude, which means not taking yourself too seriously, enjoying work, and maintaining balance in your life. We hire the right people and invest in their development.

## Pre-employment development

We have a modest 4.6 percent turnover rate. However, we recently recognized that we were losing a majority of our employees in their first year of employment. Our director of onboarding evaluated the current new-hire experience and worked with us to revamp the company's orientation process. We launched an online orientation in which all employees, prior to their first day, get a heavy dose of our culture. They listen to a message from our leaders, learn about their benefits, and participate in an interactive history lesson.

On their first day they attend a program called "Freedom, LUV, and You" and are greeted by several LUV guides—employee volunteers who welcome them and offer assistance throughout the day. The class is led by a university facilitator and a "first-flight facilitator," a leader from the field selected for this stretch assignment. The day consists of a series of activities designed to engage new employees around our mission and culture. A senior leader attends every class to welcome our new employees and to discuss the importance of living the Southwest Way.

## Value-added leadership development

We have countless examples of leaders who began in entry-level positions and are now senior leaders. At Southwest, it is our responsibility to ensure that our leaders have the tools and skills to lead effectively. We believe in developing and promoting people who display potential in four key areas: developing people, building great teams, thinking strategically, and achieving excellent results. We call these our "leadership expectations."

At one point in our history, we had identified a number of strategies and tools, including 26 leadership characteristics and competencies, five basic principles, and 14 values. A few years ago, we had an epiphany: If everything is important, then nothing is important. We looked at that list of qualities and concluded that, if each item carried equal weight, we couldn't possibly expect our leaders to be strong with their focus spread so thin. In partnership with our senior leadership, we quickly assumed responsibility for distilling those expectations down to something more manageable.

Once we identified our leadership expectations, we began to analyze our skills gaps. We work in an ever-changing environment. Almost daily, we receive Federal Aviation Authority mandates. Change is a constant, and we know that to change is to survive. We must learn to see every day as though it were Super Bowl Sunday and not just any pre-

# SOUTHWEST



SOUTHWEST AIRLINES  
DEVELOPS ITS LEADERS  
TO SOAR TO **NEW HEIGHTS.**

# STYLE



season football game. This fuels our passion for equipping leaders on every level to be better today than they were yesterday, because yesterday's performance will not win in the future.

Ultimately, a leadership-development organization must fulfill a purpose beyond training—delivering value to the company. Determining that value centers on these questions: Does that organization touch its leaders, and if so, how often and to what extent? Is that touch enabling leaders to create a positive impact in developing the next wave of leaders? Are the leaders getting excellent results? Are they building their teams? Are those potential leaders prepared to take advantage of opportunities that arise?

We are a company working in an industry in which competition is fierce and growth is hard to achieve. We are fortunate to be where we are in that industry, but we cannot afford to be complacent. A persistent focus on developing strong leadership is critical to our continued success. Because of our unique culture, we want to make sure that learning is as enjoyable as every other aspect of working at Southwest.

### **Enhanced executive leadership development**

Part of developing Southwest's leaders involves reinventing our University for People. We don't look at leadership development the same way we once did. For example, in the last couple of years, we have doubled our learning hours, improved our customer satisfaction scores, and reduced our costs by 56 percent.

At Southwest, even in the training and development arena, we focus on running our business like a business. We demonstrate strong value to the company and work hard to sustain an excellent internal brand.

Our strategy is to reinforce the coaching component as well as set goals for leaders. Our entire leadership training is linked to our investment in people. We sit down with leaders—not just once a year to give them a performance appraisal, but often—to really ask them face-to-face, “What are your goals? Where do you want to be in two, three, or five years? What are some goals that we can help set for you this year to move you in that direction?”

And we follow up throughout the year by asking how we are doing and what changes need to be made. Developing leaders is as critical to us as meeting operational objectives.

### **An engaging culture**

The image most people have of the Southwest culture is one of good times and great fun. However, as our CEO Gary Kelly points out in a recent article, fun is a funny thing.

For us, a good time does not mean throwing parties every day. It means celebrating the dedication and effort that produce success. The fun comes from achieving that success while working with people you enjoy within a company that values you.

Meaningful learning can be fun. For example, candidates who are selected for our intense Manager in Training program attend Southwest Camp Culture. The experience has been compared to the reality television show *Survivor*. We put our leaders in the middle of nowhere (actually, a campsite in Oklahoma) and for three days, they compete as teams in a variety of tasks that challenge their critical thinking and leadership skills. There is a lot of focus on teamwork and about getting in touch with the company culture that has made us so unique and special. Participants are in the middle of the forest building teepees and competing for supplies. The experience leaves our leaders feeling excited and rejuvenated.

We also believe learning should be progressive and ongoing, so we offer a university-style curriculum in our University for People. We have orientation programs for new people. We have a variety of personal and professional development courses that target frontline employees through senior leaders. Our programs and courses are designed for education that applies specifically within our company.

In our Leadership 101 course, we enroll potential leaders from a pool of 32,000 employees. This three-day course is designed to help them decide if they are cut out to be a leader. Participants learn the basics of leadership and listen to many of our senior leaders who candidly share their daily experiences. This has proven to be very successful because leaders are better prepared to move into their new roles.

A majority of our curriculum is developed in house, but we seek external tools when they meet our needs. In the article on page 30, Kelly mentioned that our “family-like” environment has kept us from offering candid feedback. We recognized that and are using Patrick Lencioni's book *Five Dysfunctions of a Team* to help us challenge our thinking.

In addition, financial education has also been a critical initiative for us, and we partnered with Paradigm Learning to deliver a board game called *Zodiak: The Game of Business Finance and Strategy*, which teaches business finance and strategy. This classroom-based board game is experiential and fun, so it's a perfect fit for the Southwest culture. We have always been transparent about sharing financials with employees, so it is important that we provide business acumen and financial training that helps them understand the decisions behind the numbers.

The content of our learning programs, and especially our leadership-development programs, is critical. Equally important, however, is the way we deliver that content to our leaders. Active participation by learners who are given the opportunity to explore information and ideas helps get them engaged in the learning process. Team interaction is easier in a live session and can be powerful.

### Changing expectations

Growth happens when we stretch ourselves. Leadership development should be an enjoyable experience and it should challenge the current thinking. Our leadership curriculum ties back to our leadership expectations and targets supervisors, managers, directors, and senior leaders. We offer required classes for all new supervisors, managers, and directors. We also have a high-potential Manager in Training program.

Eligible supervisors, managers, and directors apply for the program, which is presented in two levels. Level I is a three-week program that educates supervisors and managers on the business of Southwest Airlines. They learn to set departmental goals and to overcome challenges in achieving them. They gain exposure to every Southwest department from finance to revenue management. Level II is a five-week course similar in structure to the first level, except the focus is on strategic thinking. In this session, participants experience camp culture.

### Free to move about the company

Building strong leaders who care about their employees is the foundation of our employee-retention strategy. We want to keep and motivate our employees, and we do that by continuing to develop our leaders.

One way to ensure a consistent employee experience is to encourage employee development and movement within the company. At Southwest, we don't have a career ladder; we have a career lattice. Leaders aren't forced to move vertically to succeed. Leaders can move right or left to move up, or they can take a step back into another department before they move up. There are many different options available.

We don't try to confine our people by forcing them to stay in one department or follow one path to success. A strong leader in one department might be better suited for another department, or even another location. We want them to be effective and engaged, and if that means moving to another department or location, then that's what they should do.

## PATHWAY TO FULL POTENTIAL: A Vision That Became Reality

*To help clarify our vision for leadership development at Southwest Airlines, we wrote a story portraying that vision in action. It follows the journey of a fictional employee, Caroline, as she works her way into fictional leadership roles within the company. This story offers a glimpse into leadership development strategies and practices at Southwest.*

In her interview, Caroline demonstrates the three elements of the Southwest Way: the warrior spirit, the servant's heart, and the fun-loving attitude. Perceived as a natural fit for the company, an offer is extended. She accepts a position in customer relations.

From that point, Caroline is continually exposed to learning, which provides more growth and development and enables her to hone her skills. Working with her, we help her take advantage of leadership opportunities that come along. Coaching and feedback from her leaders encourage her to keep moving forward.

She is exposed to a number of leadership development courses: Leadership 101, Manager-in-Training, Leadership: Southwest Style, job swaps, stretching opportunities, SMART goals, the Executive Leadership Development program, and others.

Eventually, in her 11th year with the company, Caroline becomes the newest member of the senior management committee, assuming the position of vice president of reservations.

*While the character and her career path are fictitious, almost all of those offerings are now a reality. When we first wrote the story, some of the strategies and tools in it were on our wish list. The story helped us to see beyond where we were at the time, showing us what true leadership development could mean to this company. It cemented our vision for how the company would develop and support its leaders.*

The DNA of our company intertwines with a belief in our employees' potential and the development of our leaders. The belief is part of our mission-critical agenda and correlates directly to the success of our company. If we are not effective in preparing new leaders for new opportunities, then we are not sufficiently preparing this company for future success. In our industry, we can't take that risk. Developing leaders is the key to our survival. **T+D**

**Elizabeth Bryant** is director of leadership development at Southwest Airlines; [elizabeth.bryant@wnco.com](mailto:elizabeth.bryant@wnco.com).

#### WHAT DO YOU THINK?

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