

LUV, Colleen

Southwest Airlines' Colleen Barrett says the organization operates on a principle that isn't stressed much in b-school: genuine TLC for employees and customers.

Colleen Barrett typifies the spirit of Southwest Airlines, the 32-year-old carrier based in Dallas, Texas. She's friendly, funny, and far from buttoned-down; she goes out of her way to make others feel welcome and comfortable. Then again, that's how Barrett, president and chief operating officer of the airline, would expect everyone at Southwest to treat any guest who came through the doors.

"We tell job applicants we're in the customer service business. We just happen to provide airline transportation," she says. Southwest's commitment to passengers and customers is so strong and so emotional that the company trades under the symbol LUV on the New York Stock Exchange. "And we often use LUV when we sign correspondence to each other and to the outside world," Barrett says.

Barrett herself is a key reason that customer service is such a byword at Southwest. She started with the airline in 1978, although she already had ties with founder and former CEO Herb Kelleher from working as his executive assistant at his law firm. Her career path at the airlines has been stellar, as she has moved from corporate secretary to vice president of administration to executive vice president of customers. In these roles, she has been largely responsible for the customer service values that have driven the airline, and she has made sure her attitudes permeate the whole workforce. In 2001 she received her current titles—and last year she was named one of seven "Women to Watch" by *Fortune* magazine. In 2002, she also received the Kupfer Distinguished Executive Award.

Titles are meaningless without corporate success, but Southwest—and Barrett—both have the numbers to back them up. The fourth-largest airline carrier in the U.S. with revenues of \$5.5 billion, Southwest continued to operate profitably even after September 11, 2001. What's the airline's secret? If you ask Barrett, she'll probably tell you that it all begins with LUV.

by Sharon Shinn



You're widely credited with developing the corporate culture at Southwest Airlines. Can you define that culture in a few words?

It's fun, spirited, zesty, hard-working, and filled with love. Love is a word that isn't used too often in corporate America, but we've used it at Southwest from the beginning. For one thing, we were serving Love Field. For another, we had very little money in pocket; we had to get most of our media coverage by way of newspaper stories instead of by advertising. When we started out in the early '70s, the word had a sexier connotation to it, which wasn't necessarily a bad thing at the time. But over time, because we're so into teamwork, the word has become more wholesome and family-oriented.

You've said that you tend to "hire for attitude and train for skills." If I'm a business student and I'm read-



ing that sentence, how does that posture affect the way I view the education I'm pursuing for my degree?

I wouldn't want it to turn anybody off, because a degree is certainly not a detriment to getting hired at Southwest! However, if you came to us with 18 degrees and your attitude didn't fit the behavior that we wanted to see, you wouldn't be hired. I think if I were a student and I read that statement, I would say, "If I go in there with a degree, *and* I have a great attitude, I should be ahead of everybody else."

You fly to all of Southwest's cities to meet with employees and personally send all of them birthday cards. Clearly it's important to you for the company to show loyalty to its employees. What kind of loyalty does that net you in return?

First of all, we don't do any of that to earn loyalty. We do it

because we've talked to our employees from day one about being one big family. If you stop and think about it for even 20 seconds, the things we do are things you would do with your own families. We try to acknowledge and react to any significant event in our brothers' or sisters' lives, whether it's work-related or personal. We do the traditional things, like sending birthday cards and cards on the anniversary of their date of hire. But if employees have a child who's sick or a death in the family, we do our best to acknowledge it. We celebrate with our employees when good things happen, and we grieve with them when they experience something devastating. You cannot publish the kind of mission statement we have posted all over our walls and talk about our core values, and then not do these types of things.

We have a very young workforce, and many of our employees don't have any basis for comparing their work experience.

Often, though, when someone comes to Southwest after working somewhere else, I'm told, "My God, I've worked at Brand X for 20 years and I've never received a card of acknowledgment at my house. I've never met my department head."

Clearly this mindset reflects what you've said about Southwest's "employees first, customers second" philosophy. Why do you think more companies don't have that attitude?

I don't know! Perhaps people who write customer service books and managers at customer-oriented companies like Nordstrom think this sort of philosophy is heresy. The thing is, I talk to passengers all the time about this idea, and most of them agree with me.

Southwest's management believes we have three types of customers: employees, passengers, and shareholders. If senior leaders regularly communicate with employees, if we're truthful and factual, if we show them that we care, and we do our best to respond to their needs, they'll feel good about their work environment and they'll be better at serving the passenger. If employees pay attention to passengers, then passengers are going to like our service. If passengers think the price is right, if we deliver them on time, if their bags get there, and they get a smile and maybe even a little fun thrown in once in a while, they're going to come back. If they come back, we make money; then our shareholders are happy. You don't have to be a genius to figure all that out.

Do you think business schools are teaching their students to focus too much on maximizing shareholder wealth? What advice would you give management educators about the benefits of focusing on the productivity of employees instead?

To me, you can't focus on one and not the other. I don't see how you can have shareholder wealth if you don't have productivity, efficiency, and what we call "positively outrageous" service. You can't do either one or the other. You have to do both, or you'll fail.

Southwest was able to emerge healthy after the events of September 11, 2001. Why do you think you were able to respond so well to the crisis when so many other airlines stumbled?

I think we've always been particularly nimble and we've always had a sense of urgency. Herb Kelleher has preached to us about being quick to take advantage of opportunities because they only come once, and they're fleeting. If you don't take them, someone else will.

After September 11, we put our full focus on assuring the passengers that we had resumed normal operations the minute we were allowed to do so. We didn't spend a ton of time debating whether to let people go, whether we needed to furlough, whether we needed to cut flights. I'm not saying we didn't have those discussions, but we didn't have them within 24 hours of the World Trade Center situation—we had them days or weeks later. At first, we concentrated on getting crews to their airplanes and flying planes on normal schedules, knowing full well there might be no passengers on those airplanes. We felt it was critically important to show both our employees and our passengers that when they were ready, we were ready. We wanted to show as much stability as we could.

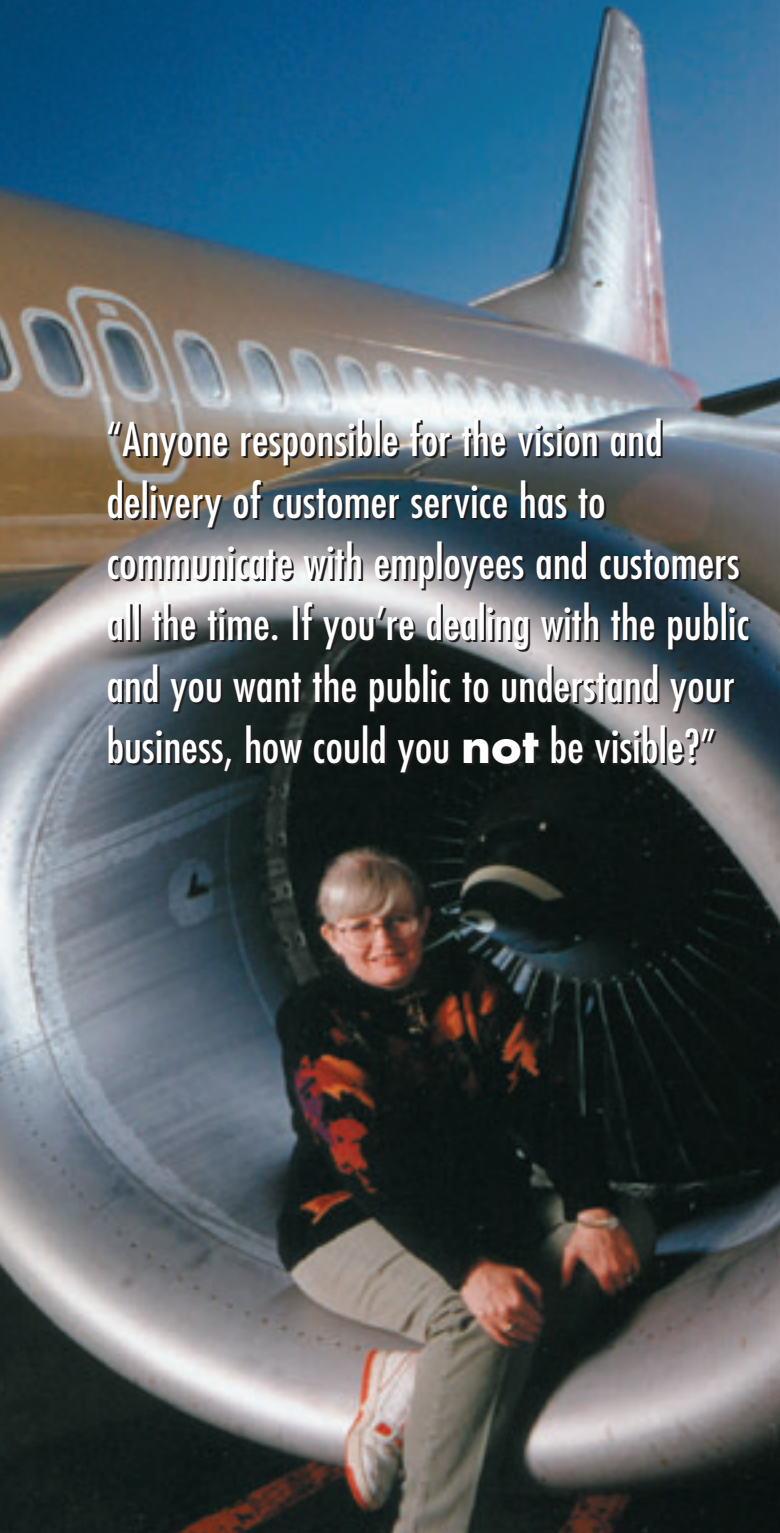
At that time, the whole world wanted refunds—and we gave them for 30 days. I suspect that we're the only carrier that also got money from its customers. I got refund checks back in the mail from people who said, "You've been good to me for 30 years, and I think you need this more than I do right now." We got dollar bills, we got \$50 from elderly people. I wouldn't keep it, but it was a wonderful thing. I think our customers were saying, "If you're willing to go out there and try this, we're willing to help you."

You write a column that appears in Southwest's in-flight magazine. Why do you think it's important for a top executive of a company to be visible to its customers?

During my 25 years in customer service, I've always been visible. Anyone responsible for the vision and delivery of customer service has to communicate with employees and customers all the time. To me, that's a no-brainer. If you're dealing with the public and you want the public to understand your business—what you do and why you do it—how could you *not* be visible? In almost anything I produce, whether it's my column in *Spirit* magazine or an ad or a letter, I'm really talking to employees as much as to passengers. I want people to be proud of our decisions. I think the way to get people to do that is to explain how these decisions come to pass.

Herb Kelleher called you the antidote to questions about integrity in American business. Ethics issues have obviously been at the forefront of business scandals in recent months, and business schools are responding with more courses on the subject. How would you advise business schools to teach the topic—or is it a topic that can really be taught?

There is a legal code of ethics that can clearly be taught, because we have laws. But if you're talking more about being an ethical person or an ethical corporation—I hope this



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doesn't sound too Pollyanna-ish—I think that by the time people get to college, they should already have been taught ethics by their parents, their families, their schools, and their churches. If you tried to tell a 21-year-old about ethics, it might be too late!

I do think some philosophy courses would be a great way for people to learn more about ethics and leadership. I also like the idea of case studies, where the class can have an open discussion on a case. You might even bring in one or two of the principals who were involved in a particular situation. You could discuss ethical behavior in a particular scenario, and what you think should have been done and why.

Even so, there are some things that are either right or wrong. At Southwest, we talk a lot about the Golden Rule, and I was astonished to learn that some people don't know what that is. So instead I started talking about "doing the right thing." Good grief, some people can't handle that, either. They want you to *tell* them what the right thing to do is in a certain situation.

To me, that's what leadership is all about. You can have three situations that appear to be exactly the same, but when you analyze them, you find out that they're not really the same at all. It never bothers me to say yes to one person's request and no to another, as long as I understand how the facts in each case are different.

In fact, leadership is one of your responsibilities at Southwest, and that's a concept that's being taught at many business schools today. What do you do to promote leadership within a company? How can it be taught?

We promote leadership in a number of ways. We bring in outside people whom we consider to be good leaders and have them talk to our managers and directors. We have a senior leadership briefing group that meets quarterly. We hold leadership classes in training for front-line, first-time supervisors. We are starting to develop what we hope will be annual sessions for people who want refresher classes in leadership. In addition, we write articles in employee communications bulletins about leadership. Every March we present a sort of state-of-the-nation message to employees in the field. We send our president or CEO out regionally to do an official presentation and hold a Q&A for a couple of hours, and we invite all employees and dependents to attend. Clearly, the purpose of this is not leadership, but to me part of *our* leadership is showing that we believe it is critically important for us to be in the field.

In all of our roundtable discussions and brown-bag meetings—in everything we do—we talk about the importance of leadership and the principles of leadership that we want practiced at Southwest. And we hold people accountable. In our evaluations for anyone in a supervisory position or above, we have a section on leadership that has a .2 out of a 1.0 weighting in terms of importance.

I do think you can learn a great deal about leadership by watching people you admire. See how they motivate others, how they excite others, how they handle touchy situations. If you really care about the development of your front-line supervisors—and I believe they're the whole future of any company—you've got to be willing to give them that time

commitment. Give of yourself, whatever they say they need or want.

You've said you took a "nontraditional" route to the executive suite. You graduated with honors from Becker Junior College, but you don't have a business degree. What do you think are the characteristics that helped you make it to the corner office?

I never had a career path. I never had a particular dream or a chart written on a piece of paper. All I wanted to do was be very good at what I did. When I hired on with Herb, I wanted to be the best damn secretary who ever walked the face of the earth—and I think I was, by the way! I was so lucky, because I always worked for people who were willing to have me take on more responsibility. I never worked for people who thought, "I don't want somebody working for me who is as smart as I am or as quick as I am." I never had someone say, "What the hell do you think you're doing?"

Your name appears on a number of lists of powerful women in business. You're considered the top-ranked woman executive in the airlines industry. You recently won an award from the Women's Leadership Exchange for "helping set other women entrepreneurs on the path to enterprise." Do you consider yourself a role model for other women in business—and, if so, what do you do think your responsibilities are?

I can't imagine being a role model. I have so many heroes, so many models that I look up to, that I can't imagine anyone thinking of me in that role. Instead, I consider myself to be a mentor. I try to mentor anyone who seems to have a passion for what he or she does or who has a desire to learn.

I will say, though, it's clear that my being a woman is really an important issue, particularly in the airline business. I hear from women all the time now, from total strangers, because they've read something in the newspaper or heard something on the radio about me. I've been somewhat shocked at how just a change in title for me has generated this much interest from the outside world. Obviously, I do try to be responsive,



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and I have been more visible to the public this past year. But I'd rather sit down with a cup of coffee and have an informal conversation with someone than make a speech.

If you were having that cup of coffee with a young woman just graduating from business school, what would you tell her about how to succeed in the corporate world?

I would say, be true to yourself. Never be afraid to take the initiative. Always work as hard as you can to show people you're willing to bear more than your fair share of the load. If you do that, and if you work for a company that recognizes top performance and dedication, I really believe most everything else will follow. I think it's easy in today's world to spot superstars, whether you're talking about a flight attendant or an accountant or a customer service manager. My mother used to tell me there was nothing I couldn't do if I set my mind to it, and I just believed that. So my advice would be, know what you want and want it with a passion.

Another piece of advice I have given to several people, whether they were in business school or not, is: Realize that you have to make choices in life. *Really* think about your priorities. Sometimes you have to take a step down or backward in terms of pay or title or even what appears to be job satisfaction in order to take the next step up. I've never been hung up on money. Some people say, “My God, I've been here one month longer than Ed has, and I haven't gotten a promotion and he has.” I've never cared about title or rank as long as I thought that I was being treated properly.

I also tell people they should go with their gut feelings. You can put a lot of time and effort into getting a job, and somewhere along the line, a trigger goes off and you say, “Maybe this isn't what I thought.” I think you should always listen to that.

What would you say are the traits that will best serve today's business graduates?

Obviously, open-mindedness is extremely important—also the humbleness to know that you can always learn. People need to know that many times there is no right answer. That's a hard one.

All business schools are starting to emphasize this, but really and truly, change has got to be your friend. You can't evolve in today's environment if you are not open to change. On my staff, I have a couple fantastic workers who are dedicated to this company, but they can't stand change—and that will be the death of them. It also can be the death of a company. Change is inevitable. **■**