



## Southwest Airlines: Lessons in Loyalty

### EXECUTIVE SUMMARY

- ▶ Southwest Airlines continues to garner accolades in the areas of customer service, workforce management, and profitability.
- ▶ Since both the health care and airlines industries deal with a service rather than a product, the customer experience depends on the people who deliver that experience.
- ▶ Employees' commitment or "loyalty" to their customers, their employer, and their work translates into millions of dollars of revenue.
- ▶ What employee wants to work for "the worst employer in town?"
- ▶ Nine loyalty lessons from Southwest can be carried over to the health care setting for the benefit of employees and patients.



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**S**OUTHWEST AIRLINES BOASTS the fewest customer complaints of any major airline for 18 years in a row, has been profitable 31 consecutive years, employee turnover averages less than 10%, and is consistently named one of the best companies to work for.

Sound too good to be true? Are you saying to yourself, I would like to work for that company? Are there lessons we in health care can learn from the airline industry?

### Comparisons

The airline industry is facing one of the biggest crises in its history. Customer complaints and lost baggage claims are at an all time high. Soaring fuel costs and a very soft economy have forced many airlines to cut back on flights, increase costs to their customers in every facet of their operations, lay off thousands of workers and, in some cases, go out of business entirely. While this is taking place all around the globe, Southwest Airlines continues to be successful and has just posted its 69th consecutive quarterly

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profit. How do they do it? Simply put, their employees make the difference.

Before we go much further, let's compare the experience of staying in a hospital and taking a trip on an airline. While I do not believe this list is exclusive, I think you will see many themes that carry over to both experiences.

- The stay or trip can be unplanned or planned.
- It usually involves some type of X-ray or scans.
- A fee must be paid for the service.
- Your care and well-being are entrusted to strangers.
- A variety of people with many different skill sets are required to get the job done.
- You are a captive audience for a prescribed period of time.
- You share space with many other strangers.
- Staff wear uniforms and all have had a variety of training and education in order for them to perform their jobs.
- You are not allowed to keep many of your belongings with you.
- Food is generally unappealing, limited, or in some cases non-existent.
- You are usually delighted to leave.
- Staff often have to deal with unforeseen circumstances, which impact their ability to provide optimal service.

I have taken a somewhat tongue-in-cheek look at staying in a hospital as contrasted to taking an airline flight. However, the bottom line in both of these industries is customer service. Both cater to and are dependent on their customers' satisfaction to be successful and to continue to stay in business. Since both industries deal with a service rather than a product, the customer experience depends on the people who deliver that experience.

### The Concept of Loyalty/Changes in the Workplace

In today's world, employees' commitment or "loyalty" to their customers, their employer, and their work translates into millions of dollars of revenue. Conversely, if customers do not have positive experiences, they in turn will take their business elsewhere at the first opportunity, which then has a negative effect on the company's bottom line. This negative impact does not necessarily have to be a reduction in actual dollars, but rather it can influence the reputation the employer has in the community as well as demoralize the employees. What employee wants to work for "the worst employer in town?"

Why should we be so concerned with the concept of "loyalty" as it relates to service industries? For generations there was an implicit agreement between

employers and employees that more or less said, if you do a good job and do as you are asked you will have not only a job but a long career with this company that will include a regular paycheck, benefits, and security in retirement. That is no longer the case. The work world as our parents and grandparents knew it no longer exists. Several major changes have caused this shift (Deep & Sussman, 1995):

- Rapid development of technology
- The increase in competition
- The scarcity of employees with the right skill sets
- The “death” of employee/employer loyalty

The rapid development of technology has been a double-edged sword. In some cases it has caused the demise of many of the more traditional jobs and industries, while at the same time there has been an explosion of new industries, creating entirely new jobs. Many of these technologies have forced companies to look at how they do business and how they must change in order to stay in business.

Health care is one of the industries that has benefited from the technology explosion. Patient care diagnostics and delivery have been greatly enhanced by all the new advances in radiology, imaging, surgical techniques, and pharmaceuticals, to name a few. But along with these advances comes the need for better-skilled and educated caregivers to manage the technology. This is not as easy as it sounds. The hours required in the health care industry are not attractive to the Millennial generation and many times the pay is not as competitive as in other industries.

This brings us to the increase in competition. Health care professionals have many opportunities and settings in which to practice. It is not unheard of for someone to live in one state and work two or three shifts a week in another state. A well-prepared health care professional can use her/his skills and knowledge in ways and work sites never imagined before.

Having a better-prepared workforce with more opportunities transitions nicely into the next phenomenon that has occurred in recent years. The average age of a nurse is now over 47, and more than 51% of the workforce will be over the age of 45 by 2010. There are fewer younger people available to enter the workforce and even fewer in this group with an interest in health care careers. As you can see, each one of those developments has a domino effect.

Many younger workers have also seen their parents and/or grandparents, who went above and beyond for their employers, cast aside when “restructuring” occurred. This reinforces to them that the concept of “loyalty” to an employer is outdated.

### **What Has Made Southwest Airlines So Unique as an Employer?**

Grubbs-West (2005), a former employee of Southwest Airlines, outlines nine loyalty lessons:

1. Hire Attitude – Train Skills
2. Immerse Everyone in the Culture Immediately
3. Keep ‘Em Learning
4. People Give as Good as They Get
5. Find the Kid in Everyone
6. Do More with Less
7. Luv ‘Em in Tough Times
8. Do What’s Right
9. Nurture the Corporate Family

Can these same principles be applied to health care? I believe they can.

Much credit to Southwest’s success has been given to its former Chairman, Herb Kelleher, who led by example and built a culture that is unique in today’s world. I remember the old saying I heard time and time again as a new nurse leader, “Take care of your staff and they will take care of the patients.”

Herb Kelleher treated his employees as family and expected them to treat each other and their customers as family too. His vision and the unique culture he created continue with the new leaders at Southwest.

Grubbs-West (2005) relates this story: Herb Kelleher was being honored as person of the year. When he went up to accept the award he asked if anyone who worked for Southwest Airlines was in the audience, would they please stand. When they did he asked the audience to direct their applause to them, stating, “They are the people who earned this award, I am just here to pick it up.” What an incredible affirmation of being valued as an employee.

*Hire attitudes – Train skills.* Health care is very regulated in areas such as licensure and certifications; therefore, not everyone can be “trained” to do every job. It goes without saying you cannot train people to be “nice.” One of your hiring criteria should be a careful assessment of attitude and the ability to care. Using questions that can elicit human responses and reactions to situations, not just clinical answers, is one way to gauge how a person “cares” about others. Having them describe what is rewarding to them at the end of the day is another example. I worked with one nurse manager who asked every candidate she interviewed, “What grabs at your heart when you work with patients and families?” She wanted staff who felt something for both their patients and their families. She said to me, “I can show them how to read a monitor or fill out a form, but I can’t show them how to really care what happens to these patients and their families.” Using questions like this is one way to really get at hiring for attitude and not just skill.

*Immerse everyone in the culture immediately.* Much has been written about the importance of onboarding and making new hires feel welcome even before they start. Southwest does not pay lip service to this; they practice it everyday. Parties and welcome celebrations are commonplace. New hires are con-

nected to a “co-heart” who welcomes them and takes them under their wing for 6 months or longer (Grubbs-West, 2005). This is not someone who is training them on how to do their job, but rather is a “friend” who socializes with them, spends time with them, and helps them acclimate to their role regardless of what it is.

While health care has always had preceptor programs to formally assist new hires during orientation, how many have programs strictly to socialize new hires into the hospital? While delivering patient care is all about caring for others, how many really extend that caring to co-workers, patients’ families, and leaders, not just to the patients themselves?

*Keep ‘em learning.* Southwest emphasizes opportunities to transfer within the company and to make all training opportunities fun. The company uses unique names for courses and departments; for example, their training department is the University for People. Employees who attend seminars or read good management books are encouraged to buy copies for everyone at Southwest’s expense. Do we encourage our staff to share information from seminars they attend; would we be able to reimburse them if they purchased 50 books for their co-workers? What may seem like a big investment is actually small when you think of the value this shared knowledge can bring and the feeling the other employees have knowing they could not attend the seminar but the hospital thought enough of them to bring elements from the seminar to them.

As we think about the “brain drain” and all the knowledge that is lost when older experienced staff members leave, are there ways to impart some of the knowledge and the culture to our new hires? Southwest has “Rocking Chair Sessions” where soon-to-be retired employees are invited to sit in rocking chairs at department meetings and share the history and the culture of the company from their perspective.

How long did it take you to learn which doctors are easier to communicate with or how you really get the linen you need in the middle of the night or who to call to get a call light fixed? It’s often all those little things that go unresolved that continually frustrate newer employees. But if they had someone who could really show them the ropes from an insider’s perspective, wouldn’t it make their lives easier?

Employees want to learn and grow in their roles and not stagnate. It is our responsibility to facilitate that growth.

*People give as good as they get.* This to me sounds very much like “Take care of your staff and they will take care of the patients.” “Southwest has a Culture Committee whose sole job is to do whatever it takes to create, enhance and enrich the special spirit and unique culture that has made Southwest Airlines such a wonderful company/family” (Grubbs-West,

2005, p. 43). You don’t have to spend a lot of money to let employees know you care about them and their families. Recently, a former staff member of mine had a parent in hospice. I called to see how she and her family were doing. She said, “I knew you would call, you always cared about us and you don’t know how much that meant.” Her comment meant more to me than any award I could have won; knowing that staff recognized and appreciated my concern truly touched me.

At Southwest, life events of every employee are celebrated and acknowledged by the company and there are a variety of recognition programs that have high participation. Because Southwest is partially owned by its employees, they are empowered to act like owners and can reward customers without having to go through red tape. Acts of kindness to customers result in repeat business day after day.

While our customers may not have a choice to go elsewhere, won’t it be nice to know that they really choose to come to our hospital because they feel the care is exceptional? Hospitals that empower their employees to do things without going through a mile of red tape make a difference in both the patients’ and the employees’ lives. One hospital I worked at had a unit that dealt with end-of-life care; the employees on that unit were allowed to do many unusual things to make their patients’ lives more comfortable and personal. One patient indicated she missed being at the beach. Over the next few days, her room was “redecorated” to resemble the beach. A small sandbox was set up in the room, beach chairs replaced the visitor chairs, and wind chimes and seashells completed the scene.

*Find the kid in everyone* may be one of the hardest lessons to incorporate in health care; however, employees must be able to have some “fun” at work and to understand that while they must take their jobs seriously, they should never take themselves too seriously. Southwest has a tradition of encouraging employees to have fun. If any of you have ever flown Southwest and listened to the safety instructions at the beginning of the flight, you experienced that sense of playfulness.

On the last flight I took with Southwest, the flight attendant gave an announcement that would rival a top standup comedian. I never laughed so hard on a plane in my life. They even put two “misbehaving” passengers to work passing out snacks. On the same flight there was a real medical emergency and as the only nurse on the flight I was involved in that situation. The entire crew acted with such superb professionalism and timeliness, it was truly impressive. What started out as a lighthearted experience turned potentially deadly and it was all handled very appropriately.

Again, in our world we cannot always make light of situations, but there are appropriate times to have a

little fun. Fundraising campaigns can have fun elements. I have seen hospitals put on “Gong Shows” or “Dunking Booths” using senior management as participants. When senior staff gets involved in this manner it shows the staff a whole other dimension of their personality and allows people to have a good time in a constructive way. And raising money is the icing on the cake.

*Do more with less* is a health care concept that is very familiar. Our mantra is to make the best of every situation, and keep good metrics to justify needed expenditures. Southwest encourages all of its employees to work hard and do the best they can, but at the same time be aware of their budgets. They demonstrate this philosophy by not having an ostentatious headquarters. Instead, all offices are about the same size and everyone is encouraged to decorate their offices. This encourages creativity; while at the same time reduces cost. Southwest also keeps strong metrics that drive all their departments. The U.S. Department of Transportation looks at metrics when evaluating airline performance, so Southwest tracks the same metrics as well. Southwest operates with a very lean staffing model, which is another similarity to hospital staffing models. Hospitals must adhere to staffing ratios that assure safe patient care while at the same time these ratios maintain a tight rein on staffing.

With regard to budget, every manager is asked to answer the question, “Is this nice to have or is this a need to have?” The goal is to keep budgets flat each year. Here again there are many similarities with health care. We all are very aware of the items JCAHO tracks; therefore, hospitals look at the same categories and measure them day after day. Frequently budgets in hospitals are kept flat or even reduced and items are looked upon with regard to need and necessity versus something that would be “nice” to have.

*Luv ‘em in tough times.* Southwest gives incredible support to employees going through very difficult personal times and fellow employees also provide support and care. We deal with patients experiencing incredibly difficult times every day and often the same situations facing our patients face our co-workers. Hopefully, we have not become so immune as to ignore how our co-workers may be hurting and in need of some kindness. Some of the seemingly smallest acts of kindness, such as offers to baby-sit or car pool can make a big difference. At Southwest, leaders are trained to look out for employees experiencing a hard time and to assist with the development of support networks.

In addition to people experiencing hard times, companies also experience troubled times. Southwest’s philosophy is: How do we deliver the message to employees with the least amount of negative

impact? Are you honest with your staff; do you let them know in a kind way when something may affect them adversely?

*Do what’s right* is the next principle and while this is certainly critical in nursing where our mission is to do no harm, it also means to do what’s right for your employees. Southwest teaches its leaders that its business is the business of people and employees matter. They go as far as telling leaders in training session to remember three key phrases:

- I don’t know.
- I messed up.
- Please help me.

I have not heard too many leaders express one of those sentiments to their staff. Have you? These three simple phrases would go a long way when expressed to an employee. Leaders at Southwest are encouraged to do the right thing and not necessarily do what’s right “by the book.” They are trusted and given the latitude to correct situations. In the hospital setting, we are encouraged to make management rounds and visit the units to see our staff. Southwest tells their new leaders not to worry about learning their jobs first, but to get to know their staff first and then to learn their jobs. Instead of MBWA (Management By Walking Around), Southwest leaders are told to GETOYO! (Get the Heck Out of Your Office!).

*Nurture the corporate family.* By family, Southwest includes vendors, employees’ families, employees, and at the heart of everything, their customers.

Southwest has established special programs for employees’ families and listens to comments and feedback from customers. The company puts into practice its philosophy of treating everyone nicely. When you look at the statistics presented in the beginning of this column regarding customer satisfaction and profitability, it obviously has paid off.

I realize there are differences in the airline industry as contrasted to the health care arena, but there are also many similarities. I believe that many of these lessons in loyalty can be carried over into the health care setting. If we can instill in our staff the feeling of loyalty that Southwest employees have for their company, think of how much our patients would benefit. \$

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