

# Introduction

**M**ost people have a passion for success and creative self expression somewhere deep inside them. They want to be part of something meaningful, to make a contribution, and to find fulfillment in what they do. Sadly, these yearnings are often managed out of people in the unrelenting quest for predictable mediocrity that most organizations pursue. People are seldom encouraged to be themselves, have fun, or seek fulfillment in their jobs. Instead, they are pushed to just do their jobs, meet their quotas, and not make waves. Think outside the box? Proceed at your own peril.

A lot of companies say their employees are their most important asset, but they don't really mean it. The truth is, they treat employees as depreciable assets, to be used up and then discarded. This is the root cause of the culture of conflict that infects many major corporations today.

You can see the results in any customer service business. When you ask for help at the drug store or hardware store, does the person you ask groan because you

interrupted his other duties, or does he cheerfully walk you over to the proper aisle and start telling you about the products you could choose? When the cable guy shows up at your house, does he really care about your business, or does he spend most of his time telling you how lousy the cable company is and that you ought to get satellite?

The truth is that employees who love their jobs will cause customers to love their company. Employees who hate their jobs will make customers hate the company. Quite simply, people who enjoy their work do a better job than people who don't. And it doesn't necessarily relate to how much they are paid. From the shop floor to the executive suite, it can fairly be said that the most highly paid people in their professions often do the worst jobs.

The ultimate success of any organization requires consistently excellent performance at every level. Vibrant and successful organizations are not built on a feeling of detachment by employees. Rather, they are built on a culture of engagement, in which employees believe in the mission they are trying to accomplish and know that they are contributing to its success. People who are given the room to succeed usually will.

For 25 years, I had the opportunity to be associated with such a vibrant and successful organization, as outside counsel, then as General Counsel, and finally for three years as CEO of Southwest Airlines. To be sure, I was always thrilled to accept the many honors that were bestowed on our company—Airline of the Year, one of the three most admired companies in America, co-CEO of the year, one of the world's most socially responsible

companies, and so forth. But I never deluded myself into thinking that I had much to do with it. I knew the honors really belonged to our people, who showed their dedication and spirit every day. In fact, in our written communications at Southwest Airlines, we always capitalized the *E* in *Employees*, the *C* in *Customers*, and the *S* in *Shareholders*, to help us remember why we were in business. As the guardian of our corporate culture, President Colleen Barrett was certain to correct anybody who did not show the proper respect for any of these three constituencies in their writing or otherwise.

To those who are looking for a definitive history of Southwest Airlines; or a critical commentary on the brilliant leadership of the company's legendary cofounder, Herb Kelleher; or what the airline's business strategy should be from here, this is not your book. Of course, no book that touches on Southwest Airlines can avoid some of the rich stories from its colorful past, or some mention of Herb, but this book is not really about Southwest Airlines. Rather, it is about some of the lessons I learned from working with the people of Southwest Airlines for more than 25 years—mostly frontline workers and employees, whose deeds truly defined the culture for which Southwest Airlines became famous.

The overriding lesson I learned doesn't involve a lot of management guru buzzwords and acronyms. It is the simplest of principles, which we learned from childhood: When in doubt, just do the right thing. It is still a pretty good rule for doing business, dealing with people, and building successful organizations.

## *Chapter 1*

# Stumbling into the Business World

Shortly after the public announcement that I would become Southwest Airlines' new CEO in June of 2001, I was on one of our planes, flying from San Antonio to Dallas. Once we were in the air and the flight attendants had finished serving their first round of refreshments (yes, you can expect more than one round on Southwest, even on a 55-minute flight), each of the flight attendants stopped by my seat to chat for a moment and wish me well.

The fellow next to me, who looked like a West Texas cowboy, took note of the flight attendants' comments. After the flight attendants resumed serving and bonding with other customers, the cowboy looked up from his newspaper and asked why the flight attendants all seemed to know me so well.

"Oh, I work at Southwest," I said. "We're just kind of like family."

"I figured that out," he said. "What do you do there?"

“Well, I’ve been the General Counsel for 15 years, but I just got a promotion.”

Now the cowboy curiously looked me over. “You’re that guy whose picture was in the paper.”

“Yeah, I’m afraid it was in so many papers that my son and daughter want to know if they’ll ever be able to pick up a newspaper without seeing a story about their father in it.”

As I chatted with the cowboy, he filled me in on some of his experiences flying Southwest Airlines. It turned out that he was actually a lawyer from Amarillo who had been flying Southwest for all of the years it had been serving that city. He told me how Southwest had revolutionized his law practice. Suddenly, Amarillo was no longer just an isolated energy and farming town in the Texas Panhandle. He could practice law anywhere in Texas now. He could appear in court in Dallas in the morning, meet a client for lunch in Houston, and attend a State Bar function in Austin in the afternoon—and still get home to sleep in his own bed that night. Besides, he said, flying Southwest was fun. The flights were usually on time, the service was great, the planes were clean, and, best of all, the employees always seemed happy and cheerful. He hated it when he had to fly someplace Southwest didn’t go.

Needless to say, this was all music to my ears, and I took in every word of it. The flight seemed all too short as we made a typical Southwest landing (touch the ground, hit the brakes, push up the thrust reverser, and get to the gate early). As the passengers stepped into the aisle and began to gather their belongings, the cowboy

reached into the overhead bin and pulled out his Stetson. He turned to me with a look reflecting an intention to give me some serious advice, and he did.

“You’ve got a hell of a good airline here,” he said. “Don’t screw it up.”

It was a fair comment. As Southwest won customer satisfaction awards time after time, while making consistent profits, researchers and competitors wondered how we did it. People had fun working at Southwest yet worked as hard and efficiently as any group of employees anywhere. Customers loved the airline, and shareholders appreciated the consistent profits. It’s like the company had some “secret sauce” that no other company possessed.

Perhaps there is a grain of truth there. While it may be no secret, there are elements of corporate culture I believe in that are less than obvious. There is no hard formula or mystic process, but there is an honest, no-nonsense way of encouraging leadership up and down the ranks, of respecting each other and sharing human interests, and of hiring and nurturing that leads to a kind of corporate DNA many businesses would like to possess. There is no single pat (or secret) answer, but I’ll be glad to share some of the aspects with you.

As a matter of fact, I’ll try to tell you the whole darn story, so you might as well grab your favorite refreshment and settle in. As you will see, refreshments do play a role in the history of Southwest Airlines. In fact, legend has it that the idea for Southwest was hatched on a cocktail napkin. Our story will show that there is often some serendipity and good fortune to the way certain

people handle a crisis or adversity, and some folks manage to do it with a smile. While there is no single formula for success, the goal of this book is to share a few experiences that might be useful, or at least interesting, for people at all levels of any organization.

So here goes. Everything I'm about to tell you is pretty much true.