**Organizational Behavior Comparative Analysis**

**OF Southwest Airlines:**

**A relax and fun organizational culture that transforms the airline industry.**

By

Alex Rodríguez-Ginorio

Assistant Professor

Metropolitan Campus

Inter American University of Puerto Rico

**Introduction**

The airline industry in the United States and all around the world has suffered severe losses during the last decade due to increasing fuel prices, incremental overhead costs, a dramatic reduction in the amount of passengers and the extraordinary events caused by the 9-11 incident which paralyzed flights for days. To survive, many companies have been forced to fire employees, reduce the number of flights, close routes and the most recent action taken was the merger between the British and Spanish giants British Airways and Iberia, becoming the third largest airline of the world.

Nonetheless, there is an airline company that has demonstrated a steady growth, although the majority of US airlines in the industry are just trying to maintain their operations. Southwest Airlines, remembered for its slogan “Come, fly the friendly skies”, is an example of a well-executed business strategy working together with a strong organizational culture. “Whereas most U.S.-based airlines suffered extraordinary losses post-9/11, Southwest has prospered and, more remarkably, grown. Much of the company's success is directly attributable to its enduring corporate culture” (Dalton, 2005, p.367).

Southwest Airlines is not just a recent success story. “Probably the most significant development in the U.S. airline industry during the past decade has been the continued expansion of Southwest Airlines and the resurgence of low-fare entry generally” (Transportation Research Board, 1999 as cited by Boguslaski, Ito, & Lee, 2004, p. 317). The company has a long and positive track record. “Since its first flight in 1971, Southwest Airlines (SWA) has captured new passenger traffic through timely and prudent entry into markets where full-service carriers have historically accounted for a majority of the flights” (Tierney & Kuby, 2008, p.16). While the major airlines like American Airlines and Delta hub in the largest and most busy airports, Southwest created a strong base offering accessible rates to commuters flying non-stop from or to smaller airports. “SWA has found a way around this problem by using airports on the urban fringe of the metropolitan centers it does not serve” (Tierney & Kuby, 2008, p.16). This strategy helped Southwest Airlines develop, giving the strength necessary to compete and even surpass major competitors.

**Table 1**

**Southwest Airlines Accomplishments**

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**Year Award Sponsor**

2004 Top Performing Companies Aviation Week and Space Technology

2004 Performance Through People The Forum for People Performance and

Measurement (2005)

2003 America's Top Ten Admired Companies Fortune

2003 Airline of the Year Air Transport Magazine

2003 Corporate Conscience Award for Community

Social Accountability International Positive Impact

2003 Brand Keys Customer Loyalty Award Brandweek

2003 Most Pleasant Airline Babycenter.com

2003 Best Domestic Airline of the Year Travel Weekly

2003 World's Most Socially Responsible Companies Global Finance Magazine

2003 Employer of Choice Among College Students Fortune

2002-2003 100 Best Corporate Citizens Business Ethics Magazine

2002-2003 Best Reputation among U.S. airlines Harris Interactive Inc. and the Reputation

Institute

2002-2003 Airline of the Year Air Couriers Conference of America

2002-2003 Top 20 Companies for Leaders Chief Executive Magazine

2001-2004 The 50 Most Desirable MBA Employers Fortune

2001-2003 Best Low Cost Airline Official Airline Guide

2000-2003 Hispanic Corporate 100 HISPANIC Magazine

1997-2003 Most Admired Airline in the World Fortune

1972-2002 Best Performing Stock over the Thirty-year Money Magazine period from 1972-2002

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Source: Southwest Airlines fact sheet <http://www.swamedia.com/swamedia/factsheet.html#Recognitions> (Southwest Airlines, 2004). Adaptation from Jeanquart, S. M., & Glynn, W. M. (2005). Positioning southwest airlines through employee branding. *Business Horizons* *48*(1), p. 536.

An organizational behavior comparative analysis was performed in order to illustrate how Southwest Airlines’ strategies and organizational culture compares with those of other airlines. The analysis from the search findings will discuss the following organizational concepts: a) leadership, b) organizational culture, and c) selection and hiring procedures. Other organizational elements will also be mentioned and a conclusion comparing the performance of several airlines.

A great part of Southwest Airlines’ success can be awarded to its low-fare, on-time and point-to-point strategy. Nevertheless, what makes Southwest Airlines different from the competition and a consistent winner is its charismatic and creative leadership, a fun and people (customers and employees) oriented positive organizational culture, and a selective job process based on values and the desire for excellent service.

*Leadership*

Southwest Airlines’ co-founders and subsequent leaders did not just establish and administer an airline; they created a new traveling experience for the passengers and their employees. “More than 38 years ago, Rollin King and Herb Kelleher got together and decided to start a different kind of airline” (Southwest.com, 2009). According to Southwest.com (2009) from the beginning the purpose of King and Kelleher was to offer passengers the lowest possible fares, on-time schedules and a good time during all the traveling planning, buying, flying, and getting to the desire destination process “The source of Southwest’s caring and fun-loving culture is Herb Kelleher…” (Robbins & Judge, 2009, p. 552). King and Kelleher innovate and use their creativity to penetrate a complicated and an already competitive industry. Tubbs and Jablokow (2009), indicate the results of a recent survey performed by Business Week in association with the Boston Consulting Group, which ranked Southwest Airlines among the world’s twenty-five most creative companies.

In contrast, Arnoult (2001) describes Skip Barnette, a thirty year Delta veteran in charge of another commuter called Atlantic Southwest Airlines, as a more traditional and cautious leader. Barnette’s vision was to become the best regional airline, basically by improving the customer service. Although, improving customer service is a must in today business, his major barrier was to inspire confidence between the management team (Arnoult, 2001). The problem was that even Atlantic Southwest Airlines executives were not sure. “Watts agrees, citing Southwest Airlines, known for its cheery employees who spread the gospel of customer service according to charismatic leader Herb Kelleher.”Skip is not Herb," says Watts” (Arnoult, 2001, p. 53). Robbins and Judge (2009) include Herb Kelleher (Southwest Airlines) as an example of a contemporary founder and leader who has had a significant impact on their organizational culture.

*Organizational Culture*

S. Chakraborty and D. Chakraborty (2004) indicated “There is a significant Indian proverb relevant to this issue: yatha raja, tatha praja (like leader, like follower)” (p.198). After reading this citation it seems so simple to understand why Southwest Airlines’ organizational culture reflects its co-founder values and “servant’s heart” (Robbins & Judge, 2009, p. 552) attitude. “The company´s relaxed culture can be traced directly to its CEO and co-founder Herb Kellerher” (Sandri & Lees, 2001, p. 854). Southwest culture is characterizes by its fun and enjoyable organizational environment. Gary Kelly, actual CEO, as cited by Bryant (2007) explains that fun comes as a by-product after achieving success, working in an enjoyable place, with good people that value the employee´s dedication.

While other airlines are focus in the economic issues of the operation, Southwest Airline’s main concern is how to maintain a formal operation structure that offers flexibility, empowerment and a notion of fun regarding the employees’ work environment and customer service. “By placing employees on an equal plane (no pun intended) with customers, Southwest Airlines has built a culture that facilitates employee retention and satisfaction” (Dalton, 2005, p.367). For Southwest Airlines’ employees, their work is not an eight to five job. The organizational culture encourages employees to be prepared to offer their help at any moment. For examples, pilots will help flight attendance check the passengers and off-duty employees, like a foreman of ground equipment assisted a flight attendant tend a food poisoning passenger and later helped her claim the baggage (southwest.com, 2009).

Southwest Airlines’ organizational culture seems more like a family oriented business, where everybody is part of the family. Peavy (1998) writes, Southwest Airlines is a different company that focus in “business techniques” and more important, “… on loving its employees, recognizing them and having fun playing games and celebrating success along the way” (p. 162). A working environment, like this, where the employee is consider as well as the customer will built, in the long run, an emotional bonding and a strong organizational culture. “Over time a dominant set of norms will emerge, guiding the way in which work is accomplished within the organization” (Sandri & Lees, 2001, p. 853).

Another of the benefits of Southwest Airlines’ organizational culture is the incremental effect in productivity. The employees work better in a better environment. “Southwest has significantly higher labor and capital productivity than most of its competitors” (Boguslaski, Ito, Lee, 2004, p. 321). Definitely, this feeling of family organization is the main competitive advantage that Southwest Airlines have over the competitors. To maintain the organizational culture growing it is essential to implement different practices to continue strengthening the message with actual and new employees. “The aforementioned characteristics of a positive culture cannot exist without widespread employee support” (Sandri & Lees, 2001, p. 854).

*Organizational Practices*

Hofstede and Bond (1988) as cited by Abu, Latiff, and Chee (2008) “suggest that the power behind the economic rise of the East Asian's economy, which outperforms its Western counterparts, has more to do with its cultural practices” (p.339). According to Stewart (1998) and Noe et al. (1997) as cited by Milliman, Ferguson, Trickett, and Condemi (1999) Southwest long-term success is consequence of HRM practices designed to create the proper environment that will energize and inspire people willingness to support and follow the company’s values and strategy. According to Sandri & Lees, (2001) some of the Southwest Airlines’ organizational practices include a) implementing an informal and fun atmosphere encourage by the CEO, b) recognizing employees’ special dates, duties, and personal activities, c) encouraging employees to pitch in where needed, and d) a rigorous screening process for the selection of new employees.“They have found that techniques and recognition must work together” (Peavey, 1998, p. 162).

Other practices that differentiate Southwest Airlines from the others include a) its willingness to promotes a free to move philosophy between its employees, b) a workplace spiritually, c) high level of empowerment, d) selective hiring.

*Free to Move philosophy*

“One way to ensure a consistent employee experience is to encourage employee development and movement within the company” (Bryant, 2007, p. 38). The organizational structure is a high formalization one, similar to the other airlines due to the regulations and security measures after 911. Nonetheless, Southwest Airlines strong organizational culture permits a high degree of flexibility, especially, in matters related to consumer service. According to Bryan (2007), this strategy builds strong leaders and improves the retention strategy.

*Workplace Spiritually*

“An active spiritual life can help individuals find meaning and purpose in their lives and live out deeply-held personal values” (Block, 1993& Ray, 1992 as cited by Milliman, Ferguson, Trickett, & Condemi, 1999, p. 221). Employees demonstrate a high level of teamwork and a natural desire to serve and act in the best interest of the company and its consumers. “First, SWA has a strong emphasis on community (Godsey, 1996; Tyler, 1998). “…there is a strong feeling among the employees that they are part of a family and that the employees take care of each other as well as their customers” **(**Milliman, Ferguson, Trickett,& Condemi, 1999, p. 221). “Second, SWA employees feel they are part of a cause. According to Milliman et al. (1999) Southwest Airlines’ employees feel that being part of an airline with the lowest airfares, personalize service, and characterized by a humorous environment gives the opportunity to people that could not afford it to fly. Freigberg and Freiberg (1996) as cited by Milliman, et al. (1999) wrote “ …a sense of being a "rebel," independence, and liberty are associated with SWA's cause or mission of offering low-cost, fun air travel” (p. 221).

|  |  |  |
| --- | --- | --- |
| **Warrior Spirit** | **Servant’s Heart** | **Fun-LUVing Attitude** |
| Work Hard Desire to be the best Be courageous Display a sense of urgency Persevere Innovate | Follow The Golden Rule Adhere to the Basic Principles Treat others with respect Put others first Be egalitarian Demonstrate proactive Customer Service Embrace the SWA Family | Have FUN Don’t take yourself too seriously Maintain perspective (balance) Celebrate successes Enjoy your work Be a passionate Teamplayer |

According to Bryant (2007) Southwest Airlines value system consists of a spirit to achieve excellence, a servant’s attitude, and fun-luving mind-set. In other words, every employee is motivated to excel in whatever job he or she is doing, take good care of the customer, enjoy his work and maintain a balance in life.

*Empowerment*

The airline promotes the empowerment of all employees and motivates them to make recommendations. “If employees make mistakes in judgment, the employees are not punished, but given feedback on how to improve the next time. In fact, errors are sometimes celebrated with the intent of turning failures into personal growth” (Bruce, 1997 as cited by Milliman, et al., 1999, p. 221 ). Southwest Airlines has so much confidence in its employees that it even encourage the participation of the members of the union in their meetings (Milliman, et al., 1999). Such practices strengthen the employee feeling of belonging and stress a strong work ethics, with all the employees encourage to work hard, be flexible, and give a hand policy. “The philosophy is that happy and relaxed employees are also more productive” (Noe et al., 1997; Sunoo, 1995 as cited by Milliman, et al., 1999, p. 221).

Southwest Airlines and similar airlines such as Continental, American Airlines, and United have several programs that deal with diversity and behavior safety environment practices. Peavy (1998) concluded that Southwest Airlines has developed “a safety culture that is serious business. Make it fun to be safe” (p. 165)

*Selective Hiring*

Tubbs and Jablokow (2009), write “One of the best ways to stimulate a creative culture is to match the individual to the job that best fits his or her ability” (p.11). Bryant (2007), Director of leadership development at Southwest Airlines writes “We hire employees who embody our core values, which we call the Southwest Way” (p. 36).

Kaydon (1998) as cited by Milliman, et al. (1999) insists that SWA can be very selective because of the extreme large number of applicants.

Southwest Airlines probably have a similar hiring process as other airlines, but the difference is in how is done. The process starts with a job application that can be filled through the Internet, but after that the process is different from the other airlines. For example, the interview includes group interviews where applicants can tell jokes and role-play situations to demonstrate teamwork, a sense of humor, and the capacity to be spontaneous. Frequent flyers and peer employees participate in interview (Noe et al., 1997, Sunoo, 1995 as cited by Milliman, et al., 1999). The pre-employment procedure includes an immediate greeting celebration (Tyler, 1998 as cited by Milliman, et al., 1999). Prior to the first workday, the new employees take an online orientation about the company culture, benefits and history, and a message from several airline’s leaders. Even the first day, the new employees are introduced to the Program called ¨Feedom, LUV and You” (Bryant, 2007, p. 36). According to Bryant (2007) LUV guides (employees volunteers that assist them during the day), a Southwest’s University for People facilitator, a “first-flight facilitator”, and a senior leader engaged the new employees in a series of activities regarding the mission and culture of the company. Bryant (2007) emphasizes Southwest Airlines focus in the people, reinforcing coaching and developing leaders’ knowledge, skills, and abilities.

*Performance*

In terms of performance, Southwest Airlines is a company that has demonstrated the importance of people, a correct working environment and a strong organizational culture to maintain values, ethics and productivity. In a difficult industry where all the companies are surviving, Southwest Airlines thrive to continue excelling. The airline is ranked number one in customer satisfaction (southwest.com, 2009). According to Maynard (2004) as cited by Tierney & Kuby (2008):

SWA ascended to the top tier among U.S. carriers, capturing 11.7 percent of all domestic passengers, ranking third (behind American and United) in 2005 (Bureau of Transportation Statistics 2006)—up from seventh in 1990, when SWA only captured 4.9 percent of domestic enplanements (p.16).

Branch (1999), Brown (1999), Levering and Moskowitz (1998), Stewart (1998) as cited by Milliman, et al. (1999) indicated that Southwest Airlines was the only company named on the top ten list of most admired companies for 1998 and 1999. In term of employee retention “For example, Southwest Airlines has 7 percent turnover, the lowest in the industry” (Tubbs & Jablokow, 2009, p. 11).

There are twelve key factors that are use to measure the airlines’ competitive Strength Assessment.

**Table 2**

**Comparative Analysis of the Eight Airlines**

## Summary of the Analysis

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Table 4: Airlines’ Competitive Strength Assessment** | | | | | |
|  | **Good** | **Above Average** | **Average** | **Below Average** | **Poor** |
| **American Airlines** |  | 1 | 4 | 5 | 2 |
| **America West** | 3 | 3 | 3 |  | 3 |
| **Continental Airlines** | 2 | 2 | 4 | 2 | 2 |
| **Delta Air Lines** | 1 | 1 | 5 | 1 | 3 |
| **Northwest Airlines** | 1 | 2 | 2 | 1 | 5 |
| **Southwest Airlines** | 6 | 3 | 1 | 1 | 1 |
| **United Airlines** | 1 | 3 | 3 | 2 | 2 |
| **US Airways** | 1 |  |  | 4 | 6 |

Note: This summary is based on the airlines' rankings on the 12 factors in Table 3 and the summary below in Table 4, which provides a ranked score for each airline regarding the airlines' abilities to prosper in the marketplace.

Source: McCabe, R. M., (2009). Airline industry key success factors: The ability for airlines to succeed today is measured according to several key success factors. *Graziado Business Report.* Retrieved November 14, 2009, from http://gbr.pepperdine.edu/064/airlines.html

**Table 3**

**Key Factors Comparative Analysis of the Eight Airlines**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table 3: Key Success Factors for Eight U.S. Airlines** | | | | | | | | |
| **Airlines** | **American Airlines** | **America West Airlines** | **Continental Airlines** | **Delta Air Lines** | **Northwest Airlines** | **Southwest Airlines** | **United Airlines** | **US Airways** |
| 1. Attractiveness – passenger revenue [10, P-12] per revenue passenger mile [10, T-2] – cents/rpm – a normalized measure of ticket price per seat – Lower is better from passenger viewpoint. | | | | | | | | |
| **2004** | 11.5 | 9.4 | 11.2 | 11.0 | 11.5 | 11.4 | 10.4 | 12.5 |
| **2005** | 12.0 | 10.3 | 11.6 | 11.0 | 11.6 | 11.8 | 10.9 | 12.6 |
| **Scale** | 4 | 1 | 3 | 2 | 3 | 3 | 2 | 4 |
| 2. Promotion Effectiveness – revenue passenger miles [10, T-2] per promotion dollar [10, P-12] – rpms/promo$ - Higher is better from airline perspective. | | | | | | | | |
| **2004** | 81 | 144 | 109 | 81 | 67 | 92 | 75 | 68 |
| **2005** | 86 | 134 | 95 | 85 | 71 | 101 | 82 | 69 |
| **Scale** | 3 | 1 | 1 | 3 | 5 | 1 | 4 | 5 |
| 3. Aircraft Utilization – aircraft hours [10, T-2] per aircraft day [10, T-2] – hours/day – Higher is better from airline perspective. | | | | | | | | |
| **2004** | 8.9 | 9.4 | 8.5 | 10.4 | 7.4 | 9.3 | 9.0 | 7.9 |
| **2005** | 8.6 | 9.3 | 9.1 | 10.4 | 7.5 | 9.6 | 9.5 | 8.1 |
| **Scale** | 4 | 2 | 3 | 1 | 5 | 2 | 2 | 5 |
| 4. Relative Load Factor – revenue passenger miles [10, T-2] per available seat mile [10, T-2] divided by the average load factor of the eight airlines – Higher is better from airline point of view. | | | | | | | | |
| **2004** | 0.98 | 1.01 | 1.02 | 0.99 | 1.05 | 0.91 | 1.04 | 0.98 |
| **2005** | 1.00 | 1.02 | 1.02 | 0.99 | 1.05 | 0.90 | 1.04 | 0.96 |
| **Scale** | 3 | 3 | 3 | 3 | 2 | 4 | 2 | 4 |
| 5. Employee Productivity – available seat miles [10, T-2] per employee [11] – asms/employee – Higher is better from airline perspective. | | | | | | | | |
| **2004** | 556 | 674 | 618 | 563 | 594 | 603 | 624 | 525 |
| **2005** | 579 | 658 | 665 | 623 | 641 | 684 | 628 | 589 |
| **Scale** | 4 | 2 | 2 | 3 | 3 | 2 | 3 | 4 |
| 6. Employee Morale – sum of lost bags per 1000 passengers and complaints per 100,000 passengers [12] – Lower is better from both customer and airline perspectives. | | | | | | | | |
| **2004** | 5.61 | 5.00 | 4.40 | 5.96 | 5.11 | 3.53 | 4.82 | 6.54 |
| **2005** | 6.94 | 5.29 | 5.04 | 8.18 | 5.80 | 4.43 | 5.30 | 11.48 |
| **Scale** | 4 | 1 | 1 | 5 | 2 | 1 | 1 | 5 |
| 7. Operating Revenue – total operating revenue [10, P-12] per available seat mile [10, T-2] – cents/asm – relative to average of these eight airlines – Higher is better from airline perspective. | | | | | | | | |
| **2004** | 0.97 | 0.75 | 1.06 | 1.06 | 1.12 | 0.77 | 0.98 | 1.19 |
| **2005** | 0.98 | 0.93 | 1.08 | 1.00 | 1.12 | 0.74 | 1.03 | 1.13 |
| **Scale** | 3 | 5 | 2 | 3 | 1 | 5 | 3 | 1 |
| 8. Operating Costs – total operating costs [10, P-12] per available seat mile [10, T-2] – cents/asm – Lower is better from airline perspective. | | | | | | | | |
| **2004** | 10.9 | 8.2 | 12.0 | 12.9 | 12.8 | 7.8 | 11.6 | 13.7 |
| **2005** | 11.9 | 11.5 | 13.1 | 12.9 | 14.4 | 7.9 | 12.5 | 13.9 |
| **Scale** | 3 | 2 | 4 | 4 | 5 | 1 | 3 | 5 |
| 9. Operating Margin - total operating revenue [10, P-12] per available seat mile [10, T-2] less total operating cost [10, P-12] per available seat mile [10, T-2] – cents/asm – Higher is better from airline perspective; negative margin is poor or scale (5), 0 to 0.3 cents/asm is below average (4), 0.3 to 0.6 cents/asm is average (3), 0.6 to 1.0 cents per asm is above average (2), and greater than 1.0 cent per asm is good (1). | | | | | | | | |
| **2004** | (0.24) | (0.01) | (0.35) | (1.24) | (0.47) | 0.72 | (0.80) | (0.64) |
| **2005** | (0.20) | (0.40) | (0.11) | (0.90) | (0.97) | 0.96 | (0.17) | (0.40) |
| **Scale** | 5 | 5 | 5 | 5 | 5 | 2 | 5 | 5 |
| 10. Relative Growth Rate – available seat miles [10, T-2] current period divided by available seat miles comparable period year earlier – Higher is better from an airline perspective up to a point; negative growth is poor (5), 0 to 3% is below average (4), 3% to 6% is average (3), 6% to 8% is above average (2), 8% to 10% is good (5), but over 10% is too aggressive (2 or higher) based on our earlier work [5]. | | | | | | | | |
| **2004** | 1.05 | 1.08 | 1.07 | 1.08 | 1.03 | 1.07 | 1.06 | 1.05 |
| **2005** | 1.01 | 1.01 | 1.05 | 1.03 | 1.00 | 1.11 | 0.97 | 0.99 |
| **Scale** | 4 | 3 | 3 | 3 | 4 | 1 | 4 | 4 |
| 11. Equity Growth – total equity current period [10, B-1] less total equity earlier period – end 2004 less end 2003 and end 2005 less end 2004 – $billions – Higher is better from an investor’s (and therefore an airline’s) perspective – Negative equity is poor, over 10% growth is good. (Southwest’s (WN’s) total equity grew 10.7% in 2004 and nearly 20% in 2005). (US Airways had negative equity at the end of 2005, but less so than for 2004.) | | | | | | | | |
| **2004** | (0.45) | (0.07) | (0.53) | (3.48) | (1.00) | 0.54 | (2.04) | (0.59) |
| **2005** | (1.07) | (0.40) | (0.04) | (7.83) | (2.31) | 1.08 | (18.05) | 0.37 |
| **Scale** | 5 | 5 | 5 | 5 | 5 | 1 | 5 | 5 |
| 12. Debt to Total Assets – long-term debt [10, B-1] divided by total assets [10, B-1] at end of period – A reasonably low ratio is preferred by most investors (and therefore by an airline) – In rank order of the four airlines with valid data, 1 is best. | | | | | | | | |
| **2004** | 0.34 | 0.37 | 0.47 | 0.49 | 0.38 | 0.15 | 0.35 | 0.27 |
| **2005** | 0.34 | 0.43 | 0.43 | 0.36 | 0.06 | 0.09 | 0.40 | 0.38 |
| **Scale** | 2 | 3 | 4 | n/c\*\* | n/c\*\* | 1 | n/c\*\* | n/c\*\* |

\*\*Note: For key success factor 12, “n/c” means that calculated values for these airlines are “not comparable” with the values for the other airlines. These airlines have been involved in Chapter 11 bankruptcy proceedings during these periods and have shed debt and assets in abrupt manners.

Source: McCabe, R. M., (2009). Airline industry key success factors: The ability for airlines to succeed today is measured according to several key success factors. *Graziado Business Report.* Retrieved November 14, 2009, from http://gbr.pepperdine.edu/064/airlines.html

Conclusion

Table 3 shows Southwest Airlines receiving good and above average scores in nine of the twelve key factors. The closest airline with the best scores was American West that scored good and above average in half of the factors. The creative and innovative leadership of Southwest Airlines has created an organizational culture capable of adapting to even the most difficult times and continue a growth path. “Based on this research we believe that companies that engage not just the minds, but also the hearts and emotions of their employees, will be more profitable” (Milliman, et al., 1999, p. ). “Southwest is the only major airline in U.S. aviation history to have been profitable every year since its inception” (Boguslaski, Ito, Lee, 2004, p. 320).

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