

Values in Action- Southwest Air

What would your company do in the following situation? One of your products just experienced a major failure, cause unknown, that was totally unanticipated in spite of the most sophisticated testing and product usage experience. Luckily, no lives were lost and nobody was seriously injured.

Crisis at 34,000 Feet

This in summary is what Southwest Airlines faced several weeks ago when one of their Boeing 737-300 planes experienced a fuselage rupture in midair at 34,000 feet. There was no evidence or indication that this failure would occur so early in the plane's life. Southwest faced the questions of deciding if this was an isolated incident, what caused the problem and what to do about the other 79 similar aircraft in their fleet. The answers to these questions impacted customer safety, financial results, customer satisfaction and reputational risk.

Culture & Problem Solving

Many other airlines and companies, when faced with a similar situation, would study the problem, try to determine its cause and carefully inspect the remaining aircraft over a period of days and possibly weeks to determine the extent of the problem and then develop a solution. This would be a logical, fact-based decision since there was no data existing to support a larger problem, maintenance policies and procedures had been followed, and this unique incident had no apparent cause so it could easily be a one-time occurrence.

This "logical approach" would minimize travel disruption, was the prudent thing to so reputational risk was protected and any negative financial impact would be minimized.

The Big Decision

Such a logical management decision, but what did Southwest do? They immediately grounded and began to inspect all 79 aircraft, canceled 620 flights, delayed 2,700 other flights. They submitted each of the affected aircraft to a 16-hour inspection and uncovered five others with smaller cracks. The financial, customer satisfaction and organization disruption costs of their decision were potentially very high. The potential costs to pursuing the normal approach of studied analysis and solutions were also potentially high- loss of life or serious injury, reputational risk for not acting quickly and decisively.

Power of Corporate Values

This looks and feels like a no win decision. How does a company make such a decision? What criteria and other factors did they use to make the decision?

As we learned from the J&J Tylenol incident decades ago, it's corporate values. Corporate values and culture drive behavior and decisions, particularly in difficult times.

We should all commend and publically praise the leadership of Southwest for their bold decision and following their values and cultural behaviors. Southwest's website describes 3 values and behaviors by which they operate: "put others first, be proactive, be courageous." In this incident, they translated these words into action. They acted courageously, putting the safety of their customers and employees first. They acted proactively to ground and inspect their planes regardless of the data from Boeing or the cost.

What Would Your Company Do?

For each of you reading this post, it's not to late to think about how your company would react to a similar situation. Specifically,

- What are your corporate values and culture? If you can't describe them like Southwest, this is now your new top priority!
- When things get tough, what drives your decisions: corporate values or finances? Simply put, do you put your customers and employees first or your shareholders?
- Does everyone in your company understand your values and are they committed to them? This means everyone-from the CEO to every employee.

If you can't answer any of these questions or don't like the answers, it's time to get to work before you're faced with the next critical decision; one that is potentially life or death.

From a positive perspective, shared values and beliefs unify and align a company. In times of trouble, they become a necessity to determining what action to take.