

In the case of Southwest Airlines' SVP, culture and comms, her title perfectly reflects a focus on keeping customers and employees informed and enthused. By Bernadette Casey

DAN SELLERS



Corporate culture and employee morale are as critical to the success of Southwest Airlines as a runway and landing gear. Executing well on those two fronts supports customers and shareholder return, according to Ginger Hardage, SVP of culture and communications for Southwest Airlines. Those efforts are clearly paying off – as the nation's largest domestic carrier, Southwest carries 100 million passengers a year and in 2010 the company reported its 38th consecutive year of profitability.

The airline's sweet spot in its messaging is being the low-cost carrier. It continues to buck the industry trend by neither charging a baggage fee nor making ticketholders pay for changing flight times. Internally, Southwest takes great pride in the fact it has never laid off an employee.

Looking to maintain those efforts, particularly amid recent financial pressures,

the airline's people were asked to leave no stone unturned to find cost savings.

"There are a lot of demands being made on the airline industry, high fuel prices being a main one," says Hardage. "We must work very hard at keeping our costs low and still be able to continue providing that job security for our employees."

Recently, Southwest, like the rest of the industry, was negatively affected by the rising cost of fuel. This year, the airline posted an unexpected third-quarter net loss of \$140 million compared to a \$205 million profit in the same quarter in 2010.

Southwest's Q2 2011 profit of \$161 million includes AirTran's contribution from May 2, when Southwest Airlines closed the acquisition of the Atlanta-based airline.

"We want this to be an acquisition others will want to emulate," explains Hardage, who has been with the airline for 21 years. "We

December 1990-present

Southwest Airlines, SVP, culture and communications (2008-present); previously served as PR director from 1990 to 2008

1980-1990

Maxus Energy Corp. (previously Diamond Shamrock Corp.), various communications and media roles, including PR director (1986-1989) and communications director (1989-1990)

1977-1980

Life Insurance Company of the Southwest, various positions in the marketing communications department

are putting a lot of focus on how we bring those new employees in and how we welcome them into Southwest. We want those AirTran employees to continue with us.”

The average tenure of a Southwest employee is 10.5 years. Eight thousand AirTran staffers will be added to the current Southwest staff of 36,000. Moreover, the acquisition will give the airline routes to the Caribbean, its first outside the US. Ultimately, the AirTran name will be phased out.

Hardage and other Southwest executives flew to Atlanta to welcome arriving AirTran flight crews. That was followed by one of several “spirit parties” hosted for both airlines’ employees to give them the opportunity to meet senior leaders and fellow staffers. Every AirTran employee has been adopted by a Southwest “wing mate.”

Employee recognition

Southwest has a robust slate of initiatives to recognize employees that “live the Southwest way,” according to Hardage. One example is Heroes of the Heart, a program that recognizes a behind-the-scenes employee or department that goes above and beyond by painting the names of winners on the side of an airplane for a year. The internal customer care department, part of CEO Gary Kelly’s office, ensures any major life event of an employee is recognized by an executive in the C-suite.

“I don’t think there are many companies that spend as much time as Southwest does on direct employee contact,” she proudly asserts.

That corporate devotion to celebrating associate achievement and the simple mantra of “treating customers the way you would like to be treated” has paid off many times over for the airline. For example, it has received numerous accolades from major outlets such as *Forbes*, *Fortune*, *Zagat*, and *BusinessWeek* for categories including on-time service, top executive team, and best place to work. In addition, Southwest received 27,000 commendations from customers last year and the airline has the fewest number of customer complaints year over year compared to its rivals, according to the Department of Transportation.

“Ginger has been critical to that success as a passionate advocate for honest, clear, and transparent communications, in good times and bad,” says Kelly. “She has a deep understanding of what the company stands for and what makes it successful. She has an even greater passion for our people. No company can be great without a strong message. No message can be strong without a strong communicator like Ginger.”

A steadfast focus on communications has been instilled in the corporate mindset going

back to Herb Kelleher, who founded Southwest in 1967. Hardage reports to Kelly, who has been with the company for 25 years. She is also part of the company’s executive planning committee that meets weekly.

“Gary is so active in keeping dialogue going with our employees, whether it’s recording news lines every Monday morning to face-to-face activities with employees on a weekly basis,” notes Hardage. “He considers communications his primary job and knows the importance of staying in touch with employees.”

Southwest’s communications platform runs the gamut from hi-tech offerings such as apps to the more traditional print publications it produces. The airline’s events can host up to 8,000 employees and the business is using digital video screens at airports to communicate to a very mobile workforce.

Hardage and her team have long made an aggressive effort to ensure employees are well trained for their roles as brand ambassadors for the airline.



“From early on, the ‘Nuts about Southwest’ blog used employees as bloggers,” says Hardage. “We always engaged employees, wanting them to be the voice for Southwest. We also encouraged our customers to tell our story. Our folks know that sometimes as communicators they may not need to weigh in because our customer will correct the story for us. Customer advocates are a credible way to get our message out. It’s a great way to see social media play a role in our branding.”

Unique celebrations

This year, the company marked its 40th anniversary in style with thousands of employees attending parties in the cities first served by Southwest – Dallas, San Antonio, and a final event at NASA Space Center in Houston. The airline also partnered with the Student Conservation Association and wrapped a biodiesel-fueled RV that students drove to 25 Southwest cities conducting environmental projects. At the Houston stop, Kelly, Hardage, and other Southwest executives cleared brush to prevent fires during the drought in Texas.

Environmental efforts also fall under Hardage’s team. Recycling increased 65% last year and the airline is looking at the material used for carpeting and upholstery, both in terms of recyclability and making it more lightweight, to help save on fuel costs.

CUSTOMER APPRECIATION

Ginger Hardage has known about the value of good customer service from a very early age.

“I grew up in a town so small it was 20 miles to the Dairy Queen,” she recalls. “I only had 16 people in my graduating class.”

Hardage’s parents operated the general store in Mozelle, TX. Her mother had Hardage’s playpen in the store. With a town population that small, many of their customers were friends, family, and neighbors.

“It taught me the importance of customers and of treating people right,” she recalls. “My dad always said, ‘You treat everyone the same because you can’t judge a book by its cover and you never know who is going to pay their bills.’”

“CUSTOMER ADVOCATES ARE A CREDIBLE WAY TO GET OUR MESSAGE OUT”

Charitable work, particularly efforts that focus on the communities the airline serves, is also a priority. The team has created local giving boards that establish budgets and, along with input from employees, decide how giving is focused. Since the start of 2011, approximately 63,000 volunteer hours have been logged by nearly 3,300 employees.

In addition to her efforts for the airline, Hardage is on the National Board of Trustees for the Ronald McDonald House, the official charity of Southwest, and the reputation advisory council for Novartis in Basel, Switzerland, which is a new assignment.

It all started for Hardage at the company when she was hired in 1990 by Colleen Barrett, president emeritus, who believed Southwest is a customer service organization that just happens to be an airline.

“She hit the ground, or should I say took to the air, at full speed, without any need for a learning curve to become a full-fledged contributor to enhancing, enriching, and nurturing the culture we enjoy each day,” notes Barrett. “Today, she continues to do just that as one of Southwest’s senior leaders.” ●

