



Positioning Southwest Airlines through employee branding

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Abstract As the field of employee branding has begun to unfold, more and more executives have become interested in how this process can help them achieve a competitive advantage for their organizations. This article explains how employee branding works and how it can be utilized to position the organization in the minds of customers, employees, and other stakeholders. A contextual analysis of its use as a source of sustainable competitive advantage at Southwest Airlines is presented. Finally, key success factors are identified for those who wish to make employee branding a strategic focus within their organizations.

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1. Employee branding and Southwest Airlines: A winning combination

Employee branding as a source of strategic competitive advantage has been a basis for discussion in recent years. While practitioners focused on the importance of employee branding and its positive outcomes, their discourse often lacked focus because they did not agree on the term's definition or its conceptualization. Clarity was added when our 2004 *Journal of Relationship Marketing* article (Miles & Mangold, 2004) defined employee branding as “the process by which employees internalize the

desired brand image and are motivated to project the image to customers and other organizational constituents” (p. 68). The conceptualization presented along with this definition provided insight into how organizations could achieve a competitive advantage by strategically utilizing the employee branding process.

In this work, we extend our previous conceptualization by presenting a contextual analysis of Southwest Airlines' use of the employee branding process to gain an organizational “position” in the minds of customers. Our extension also acknowledges the key role the organization's mission and values play in the employee branding process, and recognizes that employees must have knowledge of the desired brand image if they are to project that image to others. This analysis will lead to a better understanding of the use of employee branding as a

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positioning tool, and will clarify the manner in which the employee branding process can be used as a source of competitive advantage.

In the United States, Southwest Airlines has, by most measures, been the most successful airline in its industry. This success is largely due to the competitive advantage Southwest has gained by effectively positioning the organization in customers' minds. Its organizational position has mainly been achieved through its human resource practices, most of which fall under the rubric of employee branding. The receipt of the 2003 Kozmetsky Award for Branding Excellence and the 2004 Performance Through People Award provides evidence of the effectiveness of Southwest's positioning and employee branding strategies. Other notable achievements and recognitions of Southwest's success are outlined in Table 1.

In a personal interview with the authors, Colleen Barrett, President and Chief Operating Officer, attributed Southwest's success to its employees. From a conceptual perspective, however, it may be more accurate to say that Southwest's success appears to be largely founded on a complex process by which the company motivates employees to internalize and deliver the desired brand image. This motivational process is principally rooted in the concept of employee branding. The outcome is readily observed by those who come into contact with Southwest employees, and contributes heavily to the position Southwest holds in customers' minds. As such, Southwest appears to be an appropriate

benchmark for organizations in which managerial attention is focused on the use of employee branding to gain a competitive advantage.

2. The employee branding process

The employee branding process enables the organization to consistently deliver its desired brand image to customers, thereby solidifying a clear position in the minds of customers and employees alike. When done well, it provides a competitive advantage that is achieved through employees, who have internalized the desired brand image and are motivated to project that image to customers and other organizational constituents.

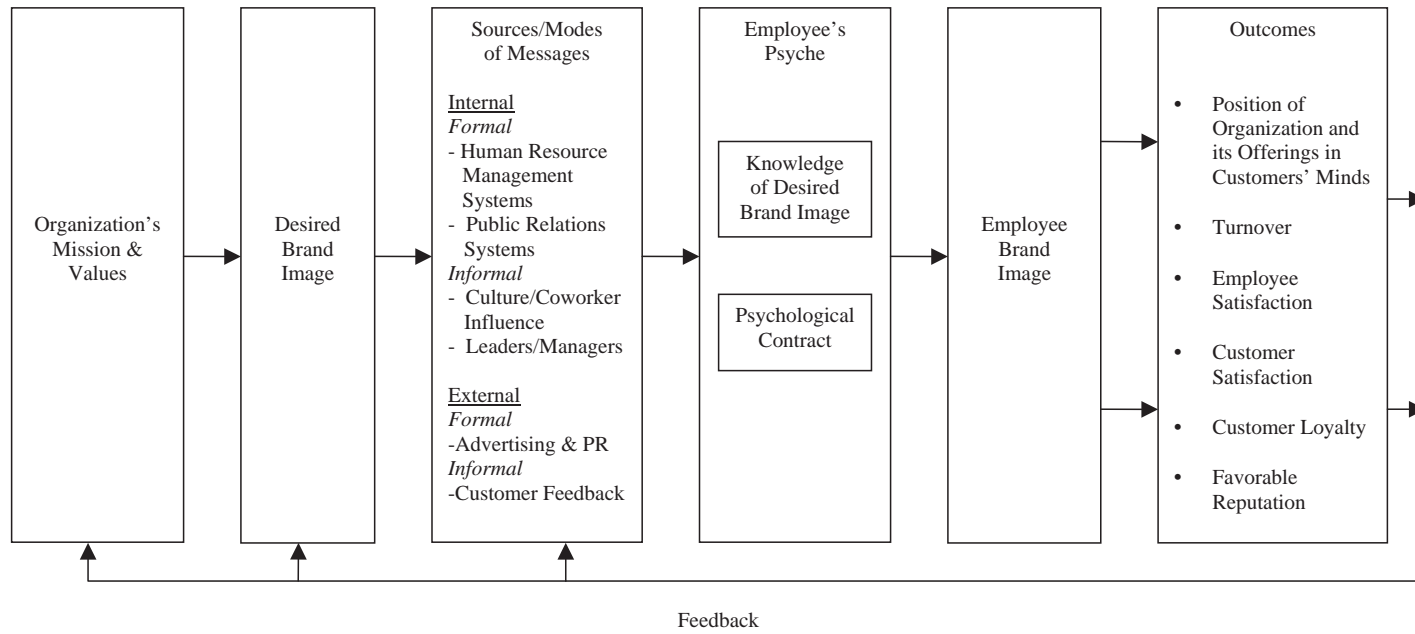
The employee branding process is represented in Fig. 1. As the model indicates, the organization's mission and values are the cornerstones of the process: they state the organization's reason for being and give insight into the manner in which the mission is to be accomplished. An organization's mission and values provide a foundation by which the desired brand image is defined.

Messages transmitted within the organization should clearly convey the organization's mission, values, and desired brand image. They should also communicate the behaviors and attitudes the organization deems important and expects from employees. Perhaps most importantly, the messages must be proactively designed, and delivered frequently and consistently through all message

Table 1 Southwest Airlines accomplishments

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 Positive Impact	Social Accountability International
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 period from 1972–2002	Money Magazine

Source: Southwest Airlines fact sheet <<http://www.swamedia.com/swamedia/factsheet.html#Recognitions>> (Southwest Airlines, 2004).



Adapted from: Miles, S. J., & Mangold, G. (2004). A conceptualization of the employee branding process. *Journal of Relationship Marketing*, 3 (2/3), 65-87.

Figure 1 A conceptualization of the employee branding process.

channels if the employee branding process is to work effectively.

Effective and consistent transmittal of messages reflecting the organization's mission and values will accomplish two things. First, it will enable employees to know, understand, and experience the desired brand image. Second, it will uphold the psychological contract that exists between the organization and the individual employee. As Rousseau (1995) explains in *Psychological Contracts in Organizations: Understanding Written and Unwritten Agreements*, the psychological contract is a perceptual agreement formed in employees' minds about the terms and conditions of the working relationship. It is a central component of employee motivation and organizational life, in general.

The psychological contract is also central to the employee branding process, in that the degree to which organizations uphold the psychological contract influences employees' trust in their employers and their motivation to serve customers and co-workers. It also impacts their interactions with others, as well as their day-to-day productivity. Even though the formation of the psychological contract is an individualized perceptual process, it is important to note that organizations can shape employee perceptions and, hence, the foundation on which the psychological contract is built.

Organizations build employees' knowledge and understanding of the desired brand image and influence the basis on which the psychological contract is built by consistently and frequently sending messages with mission- and value-based content. Inconsistent messages may result in confusion for employees and create a perception of duplicity on the part of the organization. In fact, inconsistent messages are likely to result in a violation of employees' psychological contracts and negatively influence employee turnover, productivity, and loyalty. The employee branding process allows the organization to positively influence and manage this perceptual exchange.

Employees who receive frequent and consistent messages will understand, experience, and be motivated to project the desired brand image to others. The position the organization and its offerings have in the minds of customers becomes a source of sustainable competitive advantage when the desired brand image is consistent with the image customers perceive. Successful employee branding efforts also result in reduced employee turnover, enhanced employee satisfaction, higher levels of customer satisfaction and loyalty, and a favorable reputation among stakeholders.

As previously noted, Southwest Airlines is a highly respected and successful organization. A number of companies have studied Southwest and have met with varying degrees of success as they attempted to replicate its best practices in their own operations. Our contextual analysis of Southwest's use of the employee branding process to position the organization and its offerings in customers' minds is intended to demonstrate how employee branding can contribute to a sustainable competitive advantage for the organization.

3. The positioning of Southwest Airlines through employee branding

The concept of "positioning" relates to the way customers perceive products, services, or organizations. Employee branding and positioning are inextricably linked when customers perceive that the firm's employees are closely connected to its offerings. Therefore, employee branding is central to effective positioning strategies when the goal is to position an organization, a service, or a product that is augmented with a service component. To clarify this relationship, the use of the employee branding process to effectively position the Southwest Airlines organization and its service offerings is discussed, with key success factors italicized.

3.1. Organizational mission and values

During her presentation at the 2000 Society for Human Resource Management International Conference, Libby Sartein, Vice President of People at Southwest, pointed out that a high level of customer service is a key component of Southwest's mission, and the value placed on customer service is virtually unquestioned by the company's employees (Sartein, 2000). This customer orientation is reflected clearly in Southwest's mission statement, which can be found on their website (Southwest Airlines, 2003): "The mission of Southwest Airlines is dedication to the highest quality of Customer Service delivered with a sense of warmth, friendliness, individual pride, and 'Company Spirit'" (http://www.southwest.com/about_swa/mission.html).

Interestingly, though, the foundation of Southwest's corporate message is not that customers are number one; rather, employees always come first with the company, with customers a respected second. Southwest, in turn, expects its staff to extend customers the same level of warmth, respect, and responsiveness they, themselves, receive. This approach stands in stark contrast to the "customers first" approach taken by most service-oriented organizations.

The centrality of customer service to the Southwest mission has motivated the company to identify key drivers of customer service and focus its operational efforts on those drivers. In their California Management Review article, Ford, Heaton, and Brown (2001) pointed out that Southwest, through extensive research, found on-time flights with friendly service and low fares drove customer satisfaction. The company's leadership then used those drivers to guide its strategy for positioning the organization in customers' minds. Thus, "reliable," "friendly," and "low-priced" became the focus of Southwest's positioning strategy.

Southwest's value system enables the company to deliver the high levels of customer satisfaction promised in its mission statement. These values are articulated in the 1995 Southwest Airlines video, "Keeping the Spirit Alive", (Southwest Airlines, 1995) as well as in the book, *Nuts* (Freiberg & Freiberg, 1996). They include fun, love (or "luv," in Southwest's parlance), team spirit, and altruism (building warmth and respect among employees, customers, and the community). Supporting values that are deemed necessary to deliver Southwest's mission include profitability, cost-efficient operations, family, hard work, individuality, ownership, egalitarianism, common sense, and simplicity.

Southwest's service-oriented environment is orchestrated by the factors just discussed: the clear statement of Southwest's mission, discovery and articulation of the factors that drive customer satisfaction, and the implementation of a value system that enables staff members to deliver high levels of customer service. Employees working in this environment feel empowered to solve customer problems, are extremely motivated to do what is in the best interest of customers, and know their efforts will be supported and rewarded. Their positive feelings and high levels of motivation, in turn, lead to operational efficiency. This operational efficiency, combined with a service-oriented environment, enables Southwest to pursue a positioning strategy based on the key drivers of customer satisfaction: affordable, safe, reliable, timely, courteous, and efficient air transportation and baggage handling service.

The articulation and reinforcement of the company's mission and values are a key success factor in Southwest's use of the employee branding process to position the organization and its offerings in customers' minds. Frequent and consistent messages serve the dual purpose of communicating and underpinning the desired brand image while influencing and reinforcing employees' psychological contracts.

3.2. Desired brand image

Desired brand image refers to the conceptualization organizations want customers to have of them. Southwest Airlines clearly articulates its desired brand image to employees, as well as customers, on a daily basis. In fact, publicly available on its website is Southwest's formal Customer Service Commitment Agreement, which spells out the company's pledge to provide safe, affordable, reliable, timely, courteous, and efficient air transportation (Southwest Airlines, 2005). It also lets customers know what to expect when things do not go well; for example, the necessity of overbooking is explained, and customers are clearly told what to expect if they should be bumped from their flights due to the practice.

As pointed out in *Nuts* (Freiberg & Freiberg, 1996), the desired brand image is brought to life at Southwest through the terms "positively outrageous service" and "Southwest Spirit." These terms were coined to communicate what employees were expected to deliver, and how they were expected to deliver it. Thus, the brand image desired of Southwest employees is one of "positively outrageous service" provided in the "Southwest Spirit".

This clear articulation of the desired brand image packages the company's mission and values in a way that is easy for employees to internalize and retain. It also defines the manner in which staff members are expected to deliver customer service. Therefore, Southwest's employees know they will be expected to deliver outstanding service to everyone with whom they come into contact, and understand what that means in terms of their individual behavior. They also know they can expect other Southwest teammates to treat them just as well as they treat their customers, as "positively outrageous service" and the "Southwest Spirit" apply to interactions between employees, too.

The messages communicated through Southwest's organizational systems are carefully designed to articulate and reinforce the desired brand image while reflecting the organization's underlying mission and values. The delivery of frequent and consistent messages that reflect the desired brand image is a key success factor in Southwest's use of employee branding to position the organization and its offerings in the minds of its customers. The sources and modes of those messages are discussed next.

3.3. Sources/modes of messages

If employees are to project a positive image, they first need to know and experience the desired brand image, and understand that it is a natural

outgrowth of the organization's mission and values. Furthermore, they must be motivated to project the desired brand image to others. At Southwest, careful attention is paid to ensure the messages emanating from all organizational systems align with the company's mission, values, and desired brand image. This alignment of messages across organizational message systems is a key success factor in Southwest's use of the employee branding process to position the organization and its offerings in its customers' minds. The various message sources at Southwest are highlighted below.

3.3.1. Formal internal sources

Many of the formal messages at Southwest are communicated through the human resource management and public relations systems. The messages sent by the human resource management system (i.e., "People Department") clearly reinforce the organization's commitment to its employees and to customer service. They also reinforce the values of fun, love, and teamwork. These themes are also clearly communicated in advertisements and other communications designed to attract employees to the organization. For example, according to *Nuts* (Freiberg & Freiberg, 1996) and the article by Justin Martin (2004) in *Fortune Small Business*, one company recruitment ad communicated a desire for employees to color outside the lines, or operate in a manner that is a bit off-center.

Prospective employees are carefully screened during the recruiting and selection process to ensure their attitudes and personal values are consistent with the organization's values and desired brand image. For instance, Southwest does not hire applicants who are not viewed as team players; those uncomfortable with the company's values are encouraged to self-select out of the recruitment process.

Southwest's training and development efforts are designed to clarify and reinforce the behaviors and values the organization reveres. The training available through the company's University for People enables employees to identify with the organization, its culture, and its values, in addition to providing the basic knowledge and skills needed for the job. Other training is designed to orient employees to the Southwest Spirit through such videos as "Keeping the Spirit Alive." Extensive job training occurring in the employees' departments emphasizes leadership, personal development, and the delivery of positively outrageous service.

Compensation is also a powerful tool for sending messages that reinforce the desired brand image

and for relaying to employees the things the organization deems important. As Jody Hoffer Gittel (2003) points out in her book, *The Southwest Airlines Way*, Southwest's pay scale is comparable to that of its competitors. However, Southwest pilots are paid by the flight rather than by the hour. Like other employees, they also have stock options and profit sharing, which serve as incentives and create a sense of ownership in the company. Consequently, Southwest pilots take cost-efficiency very seriously. It is not uncommon for Southwest pilots to ask for runways that are closer to the hanger or request a different altitude in order to save fuel or time. Pilots also share cost-saving insights in the monthly company newsletter, *Luv Lines*. These insights help other Southwest pilots deliver high quality service, while minimizing costs to the organization.

Southwest's performance management system is used to align employee behaviors with organizational goals. This reinforces the desired brand image and other organizational messages by relating to employees that while the company cares for them, it expects hard work and high levels of customer service. Southwest sometimes lets employees know how much they are cared for by stepping in and helping individual employees, financially or otherwise, in their times of need. In fact, the level of responsiveness and compassion seen inside Southwest is virtually unheard of today in corporate America.

Like all companies, however, Southwest sometimes has employees who hurt the company's performance on a consistent basis. Human resource mechanisms such as performance evaluations, meetings with supervisors, and continuing training provide these employees with opportunities to correct their behavior. Those unwilling or unable to improve their performance after having been given opportunities to develop will find themselves displaced.

Southwest also uses its public relations system to help employees internalize the company's mission and values. For example, *Luv Lines* consistently reinforces corporate values. In one issue, it used the metaphor of geese migration to emphasize the importance of teamwork. In other instances, it relates stories that focus on how individual employees have performed heroic acts of customer service, or behaviors that are otherwise consistent with the company's values.

3.3.2. Informal internal sources

The importance of the informal messages that flow between employees, supervisors, and friends at Southwest is well known, and efforts are made to

ensure these messages support the company's pivotal values. Southwest understands that the formation and reinforcement of appropriate employee behaviors is heavily influenced by organizational culture. The culture, in turn, influences and is influenced by the interactions that occur between coworkers. Southwest takes advantage of this culture—coworker interaction through the use of planned, coordinated activities and messages that are consistent with Southwest's mission and values.

The company's informal messages are, to some extent, formalized through its Culture Committees, which work to foster the Southwest culture and promote company values such as profitability, hard work, low cost, love, and fun. Culture Committees are established in each Southwest location, with the national committee made up of representatives from the local committees. In the words of Colleen Barrett, the Culture Committees "enhance culture where needed, fix culture if it is broken, and create culture in new places to help employees learn the Southwest way of life" (C. Barrett, personal communication, October 9, 2003).

Informal messages are also communicated through the interactions of employees with their leaders. Great care is taken in selecting Southwest's first line supervisors, as they are seen as the organization's ambassadors to its most important organizational constituent: its employees. These supervisors are encouraged to make sure their communications consistently reflect the organization's mission and values, as well as the underlying principles of integrity and caring for staff. Southwest's "open door" policy invites employees to go to higher levels of management when they feel that the organization's mission, values, and underlying principles are not being upheld by their immediate supervisors. This approach to organizational leadership results in employee empowerment, and appears to contribute to employees' personal fulfillment and commitment to the organization. In fact, it has led to union negotiations that eliminate rigid work rules and job descriptions, thereby allowing staff members to fix or deal with customer problems as they occur.

3.3.3. Formal external sources

Advertising and public relations are formal message sources normally associated with communications directed to external audiences. However, employees and other internal constituents are also recipients of these messages; therefore, advertising and public relations efforts are utilized as part of the employee branding process at

Southwest to reinforce the organization's mission and values.

Public relations efforts create a caring image, which is demonstrated through actions. Southwest recently took initiatives to help active duty soldiers reunite with their families by offering discounts and waiving advance purchase requirements. The company was also awarded the 2001 Employer Support Freedom Award, which is presented annually by the Secretary of Defense in recognition of the nation's top companies that provide support above and beyond what is required by law to their National Guard and Reserve employees.

Like most organizations, Southwest uses advertising to attract customers. However, it also uses advertising to communicate its mission and values to employees, and to demonstrate consistency between the messages delivered to customers and those delivered to staff. For example, during her presentation at the 2000 Society for Human Resource Management Conference, Libby Sartein described how the company used an ad campaign with the theme "Southwest is a Symbol of Freedom." The campaign targeted external audiences, and communicated that Southwest's low fares allow people to travel to places they would not otherwise be able to afford and do things they would not otherwise be able to do (Sartein, 2000). A parallel internal promotional campaign also focused on freedom. This one, titled "At Southwest, Freedom Begins with Me," translated the extrinsic and intrinsic benefits of working at Southwest into eight employee freedoms, such as the freedom to "learn and grow" through personal and professional development.

3.3.4. Informal external sources

Informal external messages often come in the form of customer feedback and word-of-mouth communications. At Southwest, word-of-mouth communication is widely understood, and is even addressed in the company's internal communications. As highlighted in *Nuts* (Freiberg & Freiberg, 1996), mathematical computations were featured in the company newsletter to illustrate how many customers could potentially be lost as a result of one bad service incident, due to the negative word-of-mouth that is likely to result.

Customer letters, both good and bad, are also widely shared with employees. When bad service events occur and are reported, the employee or employees involved are contacted for their insights into the cause of the problem, and possible solutions to prevent such a recurrence. While complaints are addressed and attempts are made to appease disgruntled customers, these do not

necessarily come at the expense of the employee. This manner of responding to and passing on customer feedback sends an important message to employees: employees are first, and customers are second. It is never forgotten, however, that employees are expected, in turn, to treat their customers like the company treats them: as though they were first.

In summary, clear communication is essential to building and maintaining employees' knowledge and understanding of the desired brand image, and motivating them to project that image to others. Southwest has been particularly successful at delivering parallel messages, which carry the same theme, regardless of the intended audience.

3.4. The psychological contract

An employee's knowledge of the desired brand image and their willingness to project it to others resides in their psyche. As previously illustrated, Southwest makes a great effort to ensure its messages are based on the company's mission and values, and that they are delivered consistently and frequently. These efforts effectively develop employees' knowledge and understanding of the desired brand image.

The term "covenant" is used frequently at Southwest, and is fairly synonymous with the term "psychological contract." Southwest's psychological contracts (i.e., covenant relationships) provide guidelines for employees regarding both what is expected from them and what they can expect in return. This fulfillment of employees' psychological contracts has enabled the company to enjoy an enormous amount of trust on the part of its staff. It has also contributed to highly motivated workers who have strong drives to deliver the desired brand image to those with whom they come into contact.

The extent to which the psychological contracts of new Southwest employees have been upheld is assessed through a process that is, to some extent, formalized. Staff members who have been with the company 9 months or less are randomly selected and invited to have lunch with Colleen Barrett and other Southwest executives. The informal conversations surrounding these luncheons are intended to provide insight into just how well the new employees' expectations have been met (i.e., their psychological contracts have been upheld). Information is also sought regarding where the company may be going wrong and ways in which the recruitment, selection, training, and orientation processes may be improved.

Consistently communicating the company's mission, values, and desired brand image enables employees to know and understand the vision they are to project to others. Upholding employees' psychological contracts is crucial in obtaining a positive emotional connection that will motivate them to internalize and deliver on the desired brand image. Thus, developing employees' knowledge and understanding of the desired brand image while shaping and upholding their psychological contracts is key in the use of the employee branding process to position Southwest and its offerings in the minds of its customers.

3.5. Employee brand image

The employee brand image refers to the image employees project to those around them. The employee brand image is likely to be aligned with the desired company brand image when employees know and understand the desired brand image, and are sufficiently motivated to project it to others. An organizational position is created in the minds of customers, fellow employees, and other stakeholders when this alignment is consistently attained. Such positioning is difficult to achieve, and few organizations are successful in doing so. When it is accomplished, however, it becomes a source of sustainable competitive advantage for the organization.

As discussed previously, Southwest takes a two-pronged approach to managing the employee brand image. First, it develops employees' knowledge and understanding of the desired brand image by sending frequent and consistent messages. These messages communicate what behaviors are appropriate and what responses are suitable for a given situation. Second, Southwest motivates its employees to deliver the desired brand image by ensuring their psychological contracts are upheld. The upholding of psychological contracts is rooted in the practice of consistently basing all organizational messages on the company's mission, values, and desired brand image. Southwest's consistent message-sending (formal and informal, internal and external) aligns the employee brand image with the desired brand image, and effectively positions the organization and its service offerings in the minds of its customers. This use of consistent messages to effectively manage the employee brand image is a key to Southwest's employee branding success.

3.6. The fruits of employee branding labors

Effective employee branding programs have several favorable consequences. First, they enable organi-

zations and their offerings to be effectively positioned in the minds of customers and other organizational stakeholders. Effective employee branding programs also result in increased employee satisfaction and reduced staff turnover. Companies engaging in successful employee branding efforts are also likely to benefit from higher levels of customer satisfaction and loyalty, and a favorable overall reputation because the desired brand image is being consistently reflected by employees.

These outcomes are clearly present at Southwest. The company and its offerings have attained a favorable position in customers' minds. "Positively outrageous service" is perceived to be delivered in the "Southwest Spirit." The consistency with which this image is reflected among employees was recognized when the company received the 2003 Kozmetsky Award for Branding Excellence in the 21st Century. One member of the panel of judges indicated Southwest stood out from its competition because the brand image was consistently reflected, from baggage handlers to executive offices to the organization's ethical underpinnings (University of Texas at Austin, 2003).

In 2004, the Medill School of Journalism at Northwestern University recognized the extent to which Southwest delivers "positively outrageous service" in the "Southwest Spirit" with its Performance Through People Award. This award is based on a number of factors, including service to customers, the employer's human resource initiatives, the alignment of internal and external marketing initiatives, and the link between people performance management and profit.

Southwest also enjoys the lowest employee turnover rate and the highest level of employee satisfaction in the industry. According to Colleen Barrett, Southwest's employee turnover is consistently under 5%, with 4.59% for the years 2003 and 2004. In an article in *Fortune magazine*, Nicholas Stein (2000) indicates that the average turnover rate for the airline industry is 20 to 30%. Jet Blue, Southwest's closest market competitor, has a turnover rate of 10 to 12%, according to a Workforce Management article by Eve Tahmincioglu (2004).

Each year, *Fortune* magazine conducts random surveys of employees to compile its list of "100 Best Companies to Work for in America." Southwest ranked in the top five of the 100 best companies for the years 1997, 1998, 1999, and 2000. Interestingly, the company chose not to devote the resources necessary to participate in the "best companies" survey process after the year 2000. Southwest's high level of employee satisfaction is also reflected in the fact that its union contracts are of very long duration. In general, long-term

contracts suggest that union employees have a high level of trust and confidence in the company and its willingness to treat them well.

Southwest's effective use of employee branding has also contributed to high levels of customer satisfaction. Southwest's customer relations department reports that it receives, on average, less than one complaint for every 10,000 passengers boarded. The American Customer Satisfaction Index (*Transportation/Communications/Utilities and Services*, 2005) indicates that Southwest, with a customer satisfaction score of 73, has significantly higher levels of customer satisfaction than the other major airlines reported. Southwest's scores are consistent with those of the smaller airlines that are consolidated into the index's "other" category. Similarly, the United States Department of Transportation's Air Travel Consumer Report (2004) indicates that Southwest was the number two U.S. airline for the period January through September 2004, with only 0.19 complaints per 100,000 enplanements; ExpressJet Airlines was number one with 0.13 complaints, and JetBlue Airways was number three with 0.30 complaints.

Southwest's use of the employee branding process has also contributed to high levels of customer loyalty. Southwest was tied with JetBlue for first place in the airlines category of the Brand Keys Customer Loyalty Award for 2003, and was second to JetBlue for 2004 (BrandKeys, 2004). The annual Brand Keys Customer Loyalty Awards are based on a series of surveys that probe customers' relationships with 182 brands in 31 different categories.

Finally, Southwest enjoys a favorable reputation in the business community, which appears to be largely attributable to its effective use of employee branding to position the organization. *Business Ethics* magazine rated Southwest Airlines among its 100 Best Corporate Citizens for the years 2000 through 2004; in fact, it is the only airline to ever be included on the list. The Business Ethics rankings were compiled by KLD Research and Analytics of Boston, with companies scored based on their service to various groups, including employees, customers, and shareholders. *Fortune* magazine has also, for the eighth year in a row, recognized Southwest in its Annual Survey of Corporate Reputations. The survey identified Southwest as number two among America's most admired corporations for 2003. In addition, Southwest was identified as the most admired airline in the world for the years 1997 through 2003. Factors considered in *Fortune's* rankings included the ability to attract, develop, and keep talented people, the quality of the organization's products and services,

the quality of management, community and environmental responsibility, and financial soundness.

Southwest, like most other organizations, also assesses its operational performance outcomes with a variety of productivity metrics that are specific to the company and industry. For example, the percentage of departures that are “on-time” is closely monitored at Southwest and other airlines. Turnaround time, the time between an airplane’s gate arrival and departure, is also carefully scrutinized. As pointed out in the book, *Nuts* (Freiberg & Freiberg, 1996), efficient turnaround times require high levels of coordination between boarding personnel, flight attendants, baggage handlers, and pilots. Southwest’s 20-min average turnaround time is the lowest in the industry by far, with 60% of the airplanes leaving within 15 min of arrival. These high levels of “turn” translate into financial benefits, as they enable Southwest to serve its markets with fewer airplanes and fewer gates.

The continuous monitoring of outcomes pertaining to such variables as employee satisfaction and turnover, customer satisfaction and loyalty, its reputation in the business community, and its internal performance metrics has enabled Southwest to build on its employee branding strengths and to identify and address employee branding problems while they are in their early stages. Thus, the continuous monitoring of outcomes is another key success factor in Southwest’s use of the employee branding process to position the organization and its offerings in its customers’ minds.

3.7. Feedback

The feedback loop is a critical component of the employee branding process. It allows organizations to monitor the consequences of the process and to identify areas for improvement. Failure to achieve desired consequences suggests that the process be re-examined for deficiencies in message design and delivery. Fortunately, many of the consequences of the employee branding process are readily observable and measurable. Statistics pertaining to employee turnover are available through the organizations’ human resource departments. Accolades from the financial sector and from industry and customer groups are another form of feedback. Validated scales are available to assess employee and customer satisfaction, as well as customer perceptions of service quality. Even word-of-mouth communications (either internal or external to the firm) can be assessed with reasonable accuracy.

Southwest works very hard to gain feedback by monitoring its outcomes, as well as the pulses of

both employees and customers. As previously indicated, Colleen Barrett and other executives have luncheons with new employees to monitor whether their work-related expectations have been met. When this is not the case, corrective action is taken to the fullest extent possible. In those instances where corporate messages have created unrealistic expectations, efforts are made to identify the source of the miscommunication and adjust the messages accordingly.

Southwest’s open door communication policy enhances feedback from employees at all levels of the organization. Staff are allowed and encouraged to express their concerns to managers, regardless of the manager’s level in the organization; even Colleen Barrett has an open door policy for all employees. Corrective action is taken when managers feel the organization has created an injustice. In cases where managers feel the employees’ viewpoints are not supported, explanations are given as to why the organization acted as it did. The process of continually using feedback from customers and employees is yet another key success factor in Southwest’s use of the employee branding process to position the organization and its offerings in the minds of its customers.

4. A final word

Organizations are continually seeking ways to retain customers and build brand loyalty by enhancing their images. A premise of this article is that employees vividly project an organizational image to customers and other constituents. Whether the image is positive or negative is critical to the effective positioning of most organizations, especially those in the service sector.

Our analysis of Southwest Airlines provides evidence that the employee branding process can be used to effectively position the organization in the minds of customers and other stakeholders. For this to happen, the mission and values must be carefully thought out, and should give rise to the desired brand image. The messages emanating from the organization’s message systems should be proactively designed to reflect the desired brand image, as well as the behaviors and attitudes the organization expects and rewards. Then, the messages should be delivered frequently and consistently.

Southwest Airlines’ successful use of employee branding to effectively position the organization and its offerings has been described in this analysis. Other organizations can glean the benefits of employee branding by following Southwest’s example.

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