

Southwest airlines: culture and structure

[Environment](#), [Air](#)



This report gives a brief summary of the strategic control systems within south-west airlines. The report reveals that the company has been able to uphold their culture and structure through the use of mission, vision and objectives. It is these that have helped it in their strategic planes, competitive advantage, corporate strategic and operational strategies. The same goals have also guided how the company is able to uphold and motivate their employees in order to realize productivity and give quality service to their customers.

Strategic management entails the management of resources through the use of tools like mission, vision, goals, values, roles, objectives, based on a timeline and responsibilities. Strategy in an organization is achieved through organization structure, culture, people and control systems Buller & Schuler. (2006). Therefore, in looking at the strategic management design of Southwest airlines, this paper shall detail its organization structure, culture, people and control systems. The airline has managed to keep its head above waters despite the crisis like terrorism, recession and high fuel prices that have locked the airline industry. This has been associated to several advantages and strengths the company has been able to enjoy over the years as compared to their competitors Southwest airlines (2010).

This airlines culture revolves around the welfare of their employees base on their principle “ employees are first and customers are second.” This reflects the management’s belief in the delivery of excellent service to the employees and the provision of job security. It is this culture that led them to cut back on flights rather than lay off employees during the recession and global economic crisis. This is the management principle that has been

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upheld by the company for many years, so that the company and the employees are able to prosper in bad times. The airline has been trying to uphold the principle of low operational cost, low borrowing, and a high cash flows Southwest airlines (2010).

The company is able to value the employees such that they offer them compensation and benefits from profits and surpluses. This is seen as a means to encourage employees to perform and increase their production. The corporate culture of employee motivation, compensation and assurance of job security is the guiding principle that has enabled the employees of southwest airlines to have high job performance. At the same time, these employees are encouraged to value their work and the airline as a whole. This aspect has been associated to the contribution of stability and security in the work in the company. therefore, the implementation of a no lay off policy in this company has been the main reason the airline has been able to maintain high rates of employee retention.

Buller & Schuler (2006) postulate that another corporate culture that guides the company, is their ability to encourage union members and negotiator to conduct employee's surveys, before they commence any contract negotiation. This aspect has helped the company to focus on the issues that concern the company and the employees. It is this concern that is associated with the promotion and encouragement of employees and the creation of an employee friendly environment. The airline has been able to effectively use team work and team building activities to motivate and guide the performance of their teams and workplace.

The creation of teams and the provision of skills in team resolution, team work and team harmony is another corporate culture that guides the workplace of southwest airlines (Southwest airlines, 2010). This is seen as the airlines most important function used in the management of their teams. The management of such teams involves conflict resolution awareness where they have an overview of the resolutions. The teams are also stimulated scenarios, coaching, training, learning and human resources development programs which they use in the workplace. When discussing strategic management, it is vital that strategy formulation is also incorporated (Buller & Schuler, 2006). This is because through strategy formulation one is able to realize how effective an organization is able to effectively meet their missions, visions, goals and objects as well as manage their resources. Strategic formulation entails three processes, these are diagnosis; is the formulation of a situational analysis of the internal condition of the organization. Looking at the corporate structure of southwest airlines, we find that they are able to make use of their situational analysis where management is involved in the identification of the organizations objectives, the current projects, any current strategies, plus the strengths and weaknesses of the organization. The airline has been able to identify projects, plan and lay down strategies that will help their teams to achieve the project goals. The management of the airline has the sole responsibility of guiding and training staff and employees on strategy formulation. This is also seen as very vital in the creation of a competitive advantage within their industry. The company has been able to critically identify their organizational

environment and identify their opportunities in the market that give them an advantage over their competition.

Strategy formulation should also help guide the company towards the creation and achievement of their mission, vision, goals and objectives. The mission of Southwest airlines focuses on their employees and customers (Southwest airlines, 2010). The airline has gained and kept their customers by giving exceptional customer service which has provided for by the employees who are seen as the cornerstone of the company. This mission therefore, sets southwest airlines apart from other airlines since they are able to treat their customers like they are all in first class. These first class services can only be seen as being provided for to first class customers in other airlines. Therefore by having mission statement that directs their strategies and goals towards the provision of first class service to its customers makes southwest airlines have a unique relationship with the customers. This is the same mission that also guides the employees, and the workplace performance.

Looking at the case of Southwest airlines their mission has enabled them to develop their corporate level strategies. This is due to their strategic portion which is at all levels of Southwest's business, and which starts with its workforce, this implies that they carefully select and train their employees to show and depict the image of the company. in addition, those who apply to work in Southwest are put through a selection process, which is strenuous since the company is aimed on getting people who have the right attitudes to the company. Additionally, the company invests heavily in treating its

employees well. For example, southwest airlines are able to practice profit sharing with the employees. This is very vital since they encourage employees to personally have a vested interest in the company. This has created a room for salary negotiations. They also give their employees good medical and dental benefits that are important in this age of rising healthcare costs. Moreover, they have good salaries, profit sharing, health care programs which are tools southwest airlines uses to retain the valuable employees. A view at their missions and objectives reveals that have influenced their operational strategies and competitive strategies. This is seen where they assign their staff roles through informal job descriptions which are concerned with customer service.

Their mission, vision and objectives have also affected their corporate governance that is both the mechanistic model and organic model. This is because, at the flight crew level and corporate level, the mechanistic model is used, whilst at the lower structural levels, where there is no use for safety and time, the organic model is used. The airline also fore went the functional structure which was common with its competitors, they decided to have a positive equalitarian culture that created the positive equity based culture seen today. It is this cultural approach that contributed significantly to Southwest airline having the lowest employee turnover, and the highest level of consumer satisfaction.

In conclusion we have seen that the airline has been able to effectively make use of their corporate mission, vision, objectives and goals to direct their management, culture, structure and the resources.