

Good example of report on effective stakeholder management at southwest airline

[Business](#), [Company](#)



Report on Effective Stakeholder Management at Southwest Airline

Effective stakeholder management at Southwest Airline is one of the important issues towards success since they form an integral part in the environmental stewardship efforts. Based on the report it is evident that Southwest Airline focuses on stakeholder management in the effective way possible. It is worth noting that Southwest Airlines brought together all the stakeholders and ensured that they are unionized. Employees in the company play a critical role. Matching of customers' demands and employee personalities is one of the things that the company focused on. Southwest Airline invited most frequent flyers to participate and interview all the potential employees. The employees are all unionized; hence, the company maintains favorable relationship with the management team, employees, unions, and other stakeholders.

The employees were part of the owners of the company. The effective stakeholder management in the company was achieved since employees were aware of the need to be productive. Southwest Airline used incentives to encourage performance. The incentive programs introduced by the management were very effective in motivating the employees. The incentive programs included " Together We Make it Great Program", and " Black Bag". Through annual awards, the Airline recognized outstanding employees. In every airline company, pilots are very important employees. Effective stakeholder's management at Southwest Airline focused at paying the pilots on per-trip basis. These increased productivity and also moved various activities within the Southwest Airlines in a consistent, fast and safe ways.

Maintenance of financial balances within the company is part of effective stakeholder management process. The company minimized its operation costs and focused on economies of scale through low-cost flights. Through the management of stakeholder's favorable debt structures and low cost, the company managed to enhance financial strength. Through the leasing policy, Southwest Airlines maintained favorable reserve of liquid resources and cash. The company maintained its strong balance sheet for many years despite the global financial crisis.

The shareholders are very important stakeholders at Southwest Airlines. Effective stakeholder management at the company increased annual profits and per-share profits. For example, in the year 1995 per-share profits that shareholder received increased by \$1.22. The effectiveness in management is achieved in the sense that the shareholders are in a position to earn more profits and returns due to improvement, growth and prosperity of the Southwest Airlines. Through financial analysis, it is evident that the Southwest Airlines has been profitable for more than two decades. These are attributed to effective stakeholders' management. In fact, the company had the lowest operating costs.

Effective stakeholder management at Southwest Airlines is evident through expansion of operations. For example, the company expanded to various countries and entered Florida market. The company is serving many states and continues to enter into new markets. Through the legal skirmishes, the company filed a proposal to be allowed to serve San Antonio, Dallas and Houston. The company was allowed to serve in the states. Keller has always battled with legal cases and emerged successfully, which is part of

Southwest Airlines success.

Another evidence of an effective stakeholder management at Southwest Airlines is the issues of service delivery. The company provided low-cost services and still managed to be profitable. The improvements on turnaround time are part of the evidence of effective stakeholder management. The airports were also structured in a manner that would reduce waste of time. In the general perspective, effective stakeholder management at southwest airline is evident through the analysis of customers, shareholders, employees, managers, airports, as well as financial statements.