

Southwest airlines: profits from people case study sample

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



1. What forms of trust are involved in this case and how were they violated?

Previous CEO Kelleher exhibited Identification-Based Trust. This appears to have been violated when Parker resigned unexpectedly and said Southwest deserved a leader who could take the company to the next level. Kelleher and Parker had been discussing retirement plans, and this may have made it more difficult for Kelleher to accept Parker's actions. On a different level, part of Kelleher's ability to negotiate the labor issues is because of the rapport and trust he developed with the labor force and the unions at Southwest.

2. How are issues of cooperation and competition involved in this case?

CEO Parker reached out to former CEO Kelleher and asked him to come out of retirement to help resolve a bitter dispute that involved Parker. Kelleher agreed and was able to quickly resolve the dispute. This was less competition and more cooperation. Although Parker had successfully negotiated labor contracts in the past, this situation needed Kelleher and Parker to work together as a team again. Parker's willingness to ask for help and Kelleher's cooperation in giving it was an important step to healing the discord created by Parker's abrupt resignation.

3. To what extent might the excellent state of labor relations at Southwest have contributed to the company's record of financial success—especially in a challenging business environment?

Southwest owes much of its growing popularity and repeat travelers to its great record for customer service and that is driven on the one to one interactions with the Southwest staff. Not only do the staff members want to do a good job the trust level they enjoy empowers them to look at weary

travelers and say, “ I can fix that,” then go ahead and implement the solution. That type of treatment gets not only return business, but the kind of word of mouth recommendation that cannot be bought.

Works Cited

There are no sources in the current document.