

# Jetblue

Business, Human Resources



JetBlue JetBlue Airways is an American low-cost airline and it was founded in August 1998 and its operating base is John F. Kennedy (JFK) International Airport in New York City. The headquarters are in Brewster Building in Long Island City. The success of this company has been through the cooperation of Systems Operation Center (SOC) and Organization Development (OD) team that has developed a JetBlue University to foster a healthy organization culture with deep understanding of behavioral science to bring in the much needed JetBlue experience for crew members and customers. This organization's goals have been achieved through effective leading, controlling, planning and organizing functions; the study of the individuals and groups in JetBlue which brings the organization behavior known as JetBlue experience (Schermerhorn, 2012). To achieve a wide application, a behavioral science approach was applied by JetBlue by planning and re-enforcing of organizational strategies, process, and structures in order to improve the effectiveness of JetBlue.

For this, JetBlue developed a System Operation Center to become an organ for making decisions, teamwork, communication and offering leadership to crewmembers in order to offer excellent services to customers. This has been done through total utilization of the process of change in behavioral science technologies, theory, and research. The long-term strategy of JetBlue has been to change attitudes, cultural values, attitudes and organization structures. To achieve this, JetBlue had to renew its capacity and transform itself into a learning organization (Kondalkar, 2009). To change the operating environment, JetBlue had to reorganize itself to fit in the modern environment.

Change had to be managed from the top by Senior Vice President (Operations) (Organization Development Network, 2015). Change is part of the organization culture at JetBlue; thus the department within the organization must help SOC in improving JetBlue and directors always lead the crewmembers. This is espoused in the values and beliefs of JetBlue with clear enshrined goals, aspirations, rationalization and ideologies (Schein, 2010). SOC develops goals and objectives, trains and develops crewmember skills at JetBlue University. This is done by developing complete HR training modules suited for each department and as per the requirement of the director. Surveys are done in order to measure the level of achievement of success in JetBlue. This has also been made possible through applying basic assumptions and generative learning in JetBlue thus challenging the status quo and developing a questioning culture and driving the behavioral science deeper to implement the learning organization. IT has played an important role in innovation and generative learning thus fostering creativity and change at JetBlue. Innovation is a product that requires knowledge updates regularly and this done by gathering of information data, numbers, words, and facts. This is also done by allowing individuals, group or teams to analyze the data and information, this creates a fit between JetBlue and its environment (George, 2012). The company services several destinations- 87 in total, and has fleet size of about 205. The slogan of the corporation is “You Above All”. As an Airways Corporation, JetBlue has faced a lot of problems since it was established. On top of that, solutions and recommendations have been put across to help it to be profitable and most importantly, to achieve its long term goals (Randell, 2014). Several

structures have been affected as the corporation faces those problems and they should be identified to be able to attend to them accordingly.

The following issues must be addressed regularly in order to attain the desired momentum that is embedded desire for beliefs and assumptions for change. JetBlue will always encourage innovation to create change and improve customer focus; communicate the goals, vision and objectives to the team always. This can be achieved through treating the crewmembers right, empowering them and develop individual capabilities by training and career development, improves the organizational psychology thus improving efficiency. The senior managers must keep consistency, focus and flexible thus driving the culture of change and learning attaining the core value of JetBlue (Denison Consulting, 2006). Change in the organization is inevitable by virtue of the fact that it operates in a dynamic environment that is characterised by changing forces.

#### Macro and Micro problems faced by JetBlue

JetBlue Airways just like any other company or industry has faced a lot of problems. Some are small but others have almost led to its closure. Some of the problems it has faced include the following. The fast changes in technological world have impacted on the operations of the company. The fast internet services that are needed in the flights have not been fully installed in all flights of JetBlue. Even when fully installed, there is the problem of power outlets where passengers will need to charge their iPhones, laptops and tablets. The inconveniences associated with the free Wi-Fi and email services due to poor internet connectivity has led to increased complaints from customers because they have been promised

good services and may even demand some refunds.

Poor weather conditions have adversely affected the flights of JetBlue. Snow, cold and storm have led to the cancellation of many flights. Pilots and the crew members are paid despite doing nothing and the company is incurring such costs. The passengers have always demanded to be compensated in the event of flight cancellation and this has led to increased losses of revenue and unnecessary expenditures on the side of the corporation. The passengers have been inconvenienced and sometimes have been forced to change their destinations or their flights. Other times, they have been transferred to other flights or get inbound flights. This has led to a decrease of loyalty by its passengers. In order for the company to address these challenges, it is imperative that it should invest in state-of-the-art weather forecasting equipment in order to be in a better position schedule the flights accordingly. This will also help the airline to make necessary changes and advise the passengers in advance in case of any unprecedented weather changes that may be experienced during its operations.

Poor handling of passengers by crew members and the customer care by JetBlue has been quite a challenge for the management. Most passengers have taken to online services to complain of the poor quality of services provided by the employees of JetBlue Corporation. Some incidents of rudeness, poor or lack of responses on queries of the Airways have been a great challenge to the company. At other times, the passengers have complained about the delays by customer care staff to answer to calls. Some have been even told to hold calls for about thirty minutes. This has annoyed a lot of people and has led them to change their bookings with JetBlue. The

management has found it hard to control the behavior of some employees and have been forced to deploy them. This has been leading to recruitment of new crew which takes time to adjust to the new working environment (Randell, 2014). This scenario necessitates change in the operations of the organization. There is need for training of employees working in the customer care services department to treat the clients as valuable assets to the organization. Essentially, the customers should be treated as kings in order for the organization to gain a good reputation as well as to improve its efficiency in its operations.

The other problem that has been experienced by the company is under booking of the flights. In some cases especially off-peak periods, most of the flights are not booked. This has reduced their revenues and led to losses. JetBlue Airways has always experienced large turnout of passengers during peak period. For example, during festive seasons and summer seasons many people are travelling. However, during off peak periods like winter season, there are many people who are not travelling and this been a great challenge for them. Aggressive marketing is therefore imperative in order to turn around the fortunes of the company. The customers need to be persuaded so that they can develop a positive attitude towards the airline once again.

The other issue that has affected the company is related to increased cost of fuel. The increasing fuel costs have also increased operating costs of the corporation. The overall effect is decrease in revenue and huge losses. The introduction of laws of going green has been a major problem for it. Taxes have been imposed according to the rate at which the company emits

carbon to air. This problem can be addressed through the acquisition of modern aircraft that do not consume a lot of fuel. These state of the art planes also emit less carbon dioxide. Though this move may be a bit expensive, it will be advantageous in the long run for the organization. Security has been a major problem for JetBlue airlines and this issue also has to be addressed. Considering the increased cases of terrorism in some countries, the airline has invested heavily on security to ensure that there are no dangerous weapons being transported in its flights. It has also taken keen note of increased smuggling of drugs across the globe. The introduction of full body scanners has been of great criticism since most passengers have viewed it as violation of their secrecy. However, the element of safety has also been of major concern to the organization. JetBlue has had accidents involving their flights, which have risked the lives of their passengers. For example, in September 2005, the Flight 292 had to make an emergency landing at Los Angeles. Considering the high concern by the passengers for their safety, the corporation has continued to assure the passengers on their safety through advertising. Advertising costs are also costly to the airline (Kondalkar, 2009). However, there is no compromise on the aspect of safety and it is imperative for the organization to ensure that safety measures are implemented in its operations.

The other challenge that has been faced by Jetblue is related to finding well qualified staff to handle the passengers. It has been even more problematic for the airline to find and train their own pilots. This has led to shortage and in the next coming years it will be a great issue to issue (Jennifer, 2012).

Therefore, the company should take a holistic approach in order to attract

and retain talented workers. Human resources development is another option that can be taken by the company in order to improve the competencies of its employees in order to improve its efficiency.

The stiff competition from the other low-cost airlines has also been an issue of concern to the firm. JetBlue has faced a lot of competition even from well-established airlines like Qatar Airways. The competition has been majorly on the quality of services provided and prices. This issue can be addressed through differentiating the services offered by the company so that they can appeal to the interests of the consumers.

#### Structures affected by JetBlue problems

The problems highlighted above have somehow affected certain structures. Some of the airplanes have been sold and others have been reduced in terms of their weights. This has been a measure to reduce their costs of burning fuel. As suggested above, this measure is very effective in dealing with the problems encountered by the organization in its operations.

The free Wi-Fi service has also increased the number of people using laptops. These laptops have led to destruction of tray tables. The corporation has to purchase new ones frequently and in large quantities. This is a costly project to undertake. The headquarters of JetBlue Airlines were transferred from Forest Hills, Queens in New York. The headquarters were only located in New York because the relocation costs would be so high.

#### Alternatives and Recommendations

The company should come up with an effective marketing strategy. This involves the advertisement through full page newspapers. The flat screens that have been put at the back seat of each passenger can be a means of



advertising for their products. This can be done through the customization of the programs. Advertisements can be done through print, online, television and websites like Hulu. com, Youtube. com and JetBlue. com. The personalized in-flight entertainment has attracted many passengers and increased the revenues of the organization and also profits will later increase too (Randell, 2014). It is recommended that the airline should keep on innovating in order to come up with the best services that can satisfy the needs of the customers.

Partnership with other professional sports teams and venues can also be taken into consideration by the firm. The partnership is a major sign of increasing its diversity. The introduction of comfortable legroom and free and snack offering will give them an added advantage over their competitors and thus attracting more customers. Their advertisements can also be through slogans and campaigns. The slogans should be well structured to attract the potential public ( Schermerhorn, 2012). These have a positive impact on the customers.

It is also recommended that the formation of customer bill of rights should be given priority. This will protect the passengers against flight cancellations, poor services offered, inbound of flights and un-communicated delays. The passengers will have their rights and be respected by the employees (Kondalkar, 2009). This helps create loyalty among the passengers.

Building of power sources (sockets) besides the seat of each passenger will ensure that even after a customer has a phone or laptop, can be able to charge it easily. This is very necessary considering that there is free Wi-Fi and many of their phones can easily shut down if the distance to be covered

is long ( Schermerhorn, 2012).

Outsourcing. This is to reduce the losses from under booking. The company can partner with another airline so that if the flight is not fully booked then they can transfer the passengers to another airline which is not fully booked. They should have a well-structured risk management system. This will help them to curb the unexpected accidents like fire. Therefore they will be able to cover themselves in case of emergency and the losses if any will be few. Through government intervention, the airline can be able to get financial assistance in case of financial crisis. This helps the airline not to get bankrupt and even after losses it can be able to continue operating.

The JetBlue Corporation needs to compete favorably so as to keep its loyal customers and also attract new passengers. This can be done through lowering prices of the tickets in comparison with its competitors. However, the corporation should not reduce it to an extent of incurring losses.

Favorable prices should be offered by the company.

### Conclusion

JetBlue has faced several problems. If well handled, they can help to reduce the resulting negative effects. If not well handled JetBlue will lose a lot of revenue and incur losses. Consequently, it can lead to its breakdown. The breakdown is not the best option neither the last resort for such established airline. Therefore, the alternatives and suggestions highlighted above are the best options for the corporation to adopt. It can also be observed that change in the operations of the airline is inevitable given that it operates in a dynamic environment that is characterised by constant changes. Thus, organizational development through various initiatives is a virtue since this

strategy can turnaround the fortunes of the company.

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