20 Reasons Why Herb Kelleher Was One Of The Most Beloved Leaders Of Our Time



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Leadership Strategy

We equip leaders and teams to do epic work and live epic lives.

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- What if you could create a culture that inspires passionate people to come to work fully engaged, firing on all cylinders?
- 20 things that only begin to scratch the surface of the way this gifted leader lived his life.



AP Photo/Mark Lennihan

Yesterday, the world lost an American icon and a maverick in the airline industry. Herb Kelleher, Southwest Airlines' affable co-founder, died at the age of 87. Sadly, we lost a friend and a mentor, as did countless others.

Herb was repeatedly voted as the best CEO in the airline industry. And *Fortune* magazine noted, "Kelleher was perhaps the best CEO in America." Herb has been called a pioneer, fierce competitor and innovator. All of those labels ring true, but Herb was more than that.

He changed the world.

Herb and the people of Southwest Airlines created the greatest success story in the history of commercial aviation. They did it with a disruptive business model and a hard-to-replicate culture that business schools tout in case studies and businesses all over the globe try to emulate.



Herb Kelleher is arguably the most transformative figure and character in the history of modern aviation. He is the epitome of the can-do entrepreneurial spirit. My heart goes out to his family and all our @SouthwestAir friends.

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Herb played the game of life full throttle. One of the most passionate people we have ever known, he had a zest for life, an indefatigable spirit, a contagious sense of humor, a servant's heart and an intellectual acumen that allowed him to carry an interesting conversation with anyone, anywhere about anything.

For almost 30 years we've been asking, "What if you could build a company that is as human as the human beings in it? What if you could create a culture that inspires passionate people to come to work fully awake, fully engaged, firing on all cylinders because they know they are doing epic work?" What if you could create a culture that inspires passionate people to come to work fully engaged, firing on all cylinders?

Herb did it.

Southwest became a beacon on a hill. Herb and the people of Southwest Airlines showed us that it is possible to love people (employees and customers alike), have fun and make money simultaneously. Herb never believed that the discipline necessary to run an on-time airline with fantastic service was mutually exclusive with treating people like family and making work fun. He said, "I'd rather have a company bound by love than a company

bound by fear." Southwest has 46 consecutive years of profitability to show for it.

A friend since 1986, no one has taught us more about business or more significantly shaped our views about leadership than Herb Kelleher. He is an example of what it means to do epic work and live an epic life. He was a magnificent storyteller. Animated, emotional and usually told nose-to-nose, Herb's stories were entertaining, engaging, unforgettable, and always riddled with lessons about business and life.

Here are <u>20 things that only begin to scratch the surface</u> of the way this gifted leader lived his life. They offer some insight into why Herb was so compelling—and so loved.

1. Be Interested

The camaraderie between Herb and the employees at Southwest Airlines was remarkable. Many years ago, on Bosses Day, 16,000 employees of Southwest Airlines chipped in to purchase a full-page ad in USA Today to express their affection for the boss. They thanked Herb for helping load bags on Thanksgiving, singing at the holiday

party and singing only once a year, letting them wear shorts and sneakers to work, being a friend, not just a boss, and remembering every one of their names.

The reason the people of Southwest Airlines have such a strong affection for Herb Kelleher is pretty simple. First, he was an incredible listener. When you were with Herb, he was 100% all there—totally engaged. He made you feel like you were the most important person in the world at that moment, and to him you were.

Second, break down his speeches, annual report letters, annual messages to the field and one-on-one conversations behind closed doors. You will find that he constantly showered the people of Southwest with gratitude because that's the way he felt. He treated them with dignity and respect. He empathized with their failures and grief. He celebrated their victories. And, he showed them how much he admired them, valued them and loved them as people, not just workers.

2. Be Approachable

Herb had an uncanny ability to remember names. Many employees at Southwest would verify that they met Herb once, met him again a year later and he remembered their name. When he was introduced to someone, he cared enough to learn about them genuinely. Herb loved to tell a story about being on an elevator with the CEO of another company who didn't even acknowledge two employees who got on the elevator with them. When the CEO asked Herb how he could create a Southwest-like culture, Herb said, "You might start by saying 'Hello' to your people."



AP Photo/Jacqueline Larma

Herb never met someone he couldn't learn from. He had a beautiful knack for disarming you with his wit and self-effacing humor and then drawing you into a dialog that made you feel smart—as though your ideas were good and worthy.

3. Look Beyond Title And Status

Herb didn't see a distinction in class, ethnicity or title when dealing with people. At a very early age, he learned from his mother—whom he respected greatly—that titles and positions are just adornments that signify nothing. They don't represent the substance of anybody. "I learned firsthand that what she was telling me was correct," Herb once said. "There was a very dignified gentleman in our neighborhood, the president of a local savings and loan, who used to stroll along in a very regal way up until he was indicted and convicted of embezzlement. She taught me that every person and every job is worth as much as any other person and any other job."

Herb deplored the class mentality. Years ago, one of his executive officers said, "Herb, it's harder for me to get in to

see you than it is for a mechanic, a pilot, a flight attendant, or a reservations agent." Half-jokingly, Herb said, "I can explain that to you very easily, they're more important than you are!"

4. Hire For Attitude, Train For Skill

Herb understood that you can't build a great company without great people. If you're an altruistic, outgoing person who enjoys serving others, and is team-oriented, you probably have what it takes to work at Southwest. If doing things for other people is the way you ennoble yourself instead of doing things for yourself, you fit the Southwest culture.



AP Photo/LM Otero

Once, the vice president of the People Department went to Herb worried that filing a particular job was taking too long and costing too much. She was somewhat embarrassed that she had interviewed 34 candidates for a ramp agent position in Amarillo, Texas. Herb's response was, "If you have to interview 134 people to get the right attitude on the ramp in Amarillo, Texas, do it."

If hiring for attitude seems somewhat subjective, it is. Herb made no apologies. He explained that part of the reason for an employee's probationary period is to determine if he or she is genuinely compatible with Southwest's culture. If they don't fit, it doesn't mean there is anything wrong with the person; it means they are not a match. Over the years, employees have written to Herb and said, "Hey, I got terminated or put on probation for purely subjective reasons." Herb would respond, "Right! Those are the important reasons." "Very often the most valuable things in life aren't quantifiable," he said. "Let's stop trying to be little scientists and putting everything in a little box and weighing and measuring it."

5. Put Employees First, Customers Second

Herb believed that employees should be treated like customers and celebrated for going above and beyond the call of duty. He explained it like this, "In business school, they'd say, 'This is a real conundrum: Who comes first, your employees, your shareholders, or your customers?' My mother taught me that your employees come first. If you treat them well, then they treat the customers well, and that means your customers come back and your shareholders are happy."

Apparently, this approach works. Southwest has been recognized for the most productive workforce and the best customer service ratings in the industry which means it can turn more planes, faster, with fewer people, and better service.

6. Jettison Tribalism And Office Politics

Herb felt that tribalism is the deadly opponent of teamwork. He didn't talk about labor-management relationships at Southwest because those labels set up two different groups within the company and an us versus them mentality. He believed that when you have people who are prone to point fingers or who lack empathy for the needs of their co-workers you've got significant problems. Herb was quick to show people how their language reflects a tribal mentality. "A guy said to me the other day, 'In my department..." Herb once laughed, "And I said, 'Oh, are you not a part of Southwest Airlines anymore? Excuse me I didn't realize you'd split off. Have we notified the SEC?"

Under Herb's leadership, Southwest instituted a Walk-a-Mile program. It was about developing empathy and a deeper understanding of the pressures people are under in other jobs. For example, pilots dressed as ramp agents loaded bags for a couple of days and learned how hard that job is.



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7. Be Yourself. Allow People To Be Themselves.

Regarding personality and style, Herb wasn't prescriptive about how employees should behave on the job. People at Southwest are encouraged to express their individuality. His philosophy was if they want to tell jokes they can. If they want to be creative, they can be. If they want to play pranks on their co-workers they can. "We've never thought that you should have to come to work and assume a

mask...and look like you're a bunch of little lead soldiers stamped out of a mold. We give people license to be themselves." Herb understood that a liberated spirit is essential to the kind of imagination and innovation Southwest seeks from its people.

Try watching this video on www.youtube.com

8. Be Trustworthy

Herb cultivated a level of trust with his employees and between management and Southwest's unions that is unprecedented in the industry. In 1995 Herb and his team negotiated a historic contract with the pilot's union. The agreement amounted to a five-year wage freeze for 10-year stock options. Many airlines have asked for wage concessions, but usually as a matter of survival in difficult economic times. This agreement was consummated when Southwest was strong and profitable.



Photo: Mike Fuentes/Bloomberg News BLOOMBERG NEWS

At one point during the initial negotiations, Herb suggested that the number of stock options that the pilots wanted was too low. Herb knew that it wouldn't be as good of a deal for the pilots in the long run. He suggested they ask for more. Unlike many business leaders, he wasn't going to take advantage of the situation and sign a contract that he didn't think was fair. *After* the deal had been

negotiated, Herb went to the pilots and said, "what's good for you is good for me as well" and froze his wages too.

9. Leave Your Ego At The Door

As long as we've known Herb, he always chose to have an office without windows. He believed that it eliminated the jockeying for choice offices that goes on in organizations. Consistent with his egalitarian spirit, it sent a message that the team is more important than the individual. So, who gets the room with the best view at Southwest's general office? Everyone, because it's the cafeteria which overlooks runway 13R at Love Field. Why not make the best view in the building the place where employees gather the most?

10. Be Irreverent

This doesn't sound like a strategy appropriate for business. Or does it? Irreverence can promote a healthy level of independent thinking. It encourages people to challenge the status quo, question deeply-held assumptions and not accept things at face value. Many years ago, when Southwest had closets on the airplanes, Herb tried to hang

a coat up in the flight attendants' closet. The flight attendant, not knowing who Herb was, asked him to move it. When Herb tried to explain that it was okay and he was Southwest's chairman, the flight attendant replied, "Yes, and I am the King of Siam." Herb promptly removed his coat and put in the appropriate spot.



11. Be Tough But Not Mean

Anyone who has ever competed against or worked with Herb Kelleher knows he could be tough. How do you run an on-time airline with strict accountability and superior performance if you're not tough? But Herb felt there is a difference between being tough and being mean. Mean is dehumanizing, shaming and belittling. Mean creates a fear-based culture and sucks the life out of people. Herb essentially told his managers, "Be tough, have high expectations and encourage your people to dig deeper and reach higher, but "mean" will get you fired.

12. Don't Take Yourself Too Seriously

In 1999 Herb underwent radiation treatment for prostate cancer. It didn't slow him down though; he worked right through the treatments. In light-hearted Kelleher fashion, he said, "I wish it was called the M.D. Andersen Acne Center or the M.D. Andersen Hemorrhoid Center, but it isn't. On a conference call with Wall Street's financial community, one of the analysts asked Herb if the radiation treatments impaired his ability to run the company in any way. Herb responded, "No, but I am very concerned about my uneven tan line!"

Herb even brought his sense of humor to the hospital and tested his doctors. "One day I walked into the exam room

with a lighted cigarette," he said, like a little boy with a mischievous grin. "I just wanted to see what would happen. They went berserk. They said, 'You can't do that! Put that out!' And I said, 'I don't have anywhere to put it out. If you want a smoker to put out cigarettes, you ought to have ashtrays. You want me to put it out on the floor?' They laughed and said, 'Get out of here!'"

Herb believed that you didn't have to be boring to be successful. To show you how much fun he had being the CEO of Southwest Airlines, check out these must-see video clips:

Kelleher doing the Southwest Shuffle

Arm Wrestling to Settle Legal Dispute

Kellerher Not Taking Himself Too Seriously

13. Spend Time On What You Value.

Thousands of requests for speaking engagements, presidential commissions, legislative issues, and business meetings related to the airline industry all vied for Herb

Kelleher's time. But Herb's priorities were always the people of Southwest Airlines. Ask Vickie Shuler, Herb's executive assistant of 30 years, and she will tell you that Herb would not change his schedule if a business meeting came up that interfered with an employee event he promised to attend.

If you want to know what someone truly values watch the way they spend their money and their time. It's easy for executives to say "people are our most important asset," but reallocating their time to support that statement is yet another story. During the filming of a customer service video, Tom Peters asked Herb what advice he would give other executives. Herb said, "Stop spending so much time with other CEOs, spend more time with your people."

14. Cultivate A Warrior Spirit

Herb veraciously devoured books on war history. He was enamored with the battle strategies of great military leaders. And it's not just because the game plans and tactics of famous generals make for good after-dinner conversation over a glass of Wild Turkey. It is because Herb was continually thinking about how he could apply the things he learned from the great warriors in the current scenarios Southwest faced. "I love battles," he said. "I think it's part of the Irish in me. Patton said, 'War is hell, and I love it so.' That's how I feel. I've never gotten tired of fighting. For the past 35 years, my job has been helping Southwest Airlines get through one battle after another."

Southwest's early battles formed the basis for the company's warrior spirit. Three incumbent carriers—Braniff, Continental, and Texas International—drug Herb through three and a half years of litigation and 42 judicial and legal proceedings, including one in the U.S. Supreme Court before Southwest really got off the ground. Since that time, whenever Southwest has been under attack from a competitor the employees have always rallied—often decked out in camouflage and fatigues.

With the support of Ad Agency GSD&M, Herb showed a flair for creative marketing. When Braniff tried to drive Southwest out of business in a fare war, Herb offered a fifth of liquor to anyone who bought a full-fare Southwest ticket. The tactic appealed to business travelers with expense accounts who could buy a ticket on their company's dime and take home the booze. For a short period, Southwest became the biggest liquor distributor in Texas.



15. Forget Strategic Planning

Herb didn't think much of traditional strategic planning. His famous line was, "We have a strategic plan. It's called doing things." He believed that a plan articulated in a big, three-ring binder was too bureaucratic. His view was that if you have a strategic plan that has been approved by the board and a window of opportunity opens in the market, you must be able to spring into action. If you have to create a new plan, polish it up for board approval, run it up to the board and let them debate it for several days or weeks before acting, the opportunity may be gone.

Herb preferred "future scenario generation" which means considering all of the possible, ever-changing scenarios that could happen and being prepared for each one. If number one happens we do this; if number two happens we do that, and so on.

16. Manage In The Good Times To Protect The Company In The Bad Times

This is another way of saying, "No matter how good things are, you can never get cocky and overspend." Given Herb's personality and the wacky marketing campaigns Southwest has employed over the years, many people think that the company is flamboyant. And, from a marketing perspective, it is. But financially, Southwest may be one of the most conservative airlines in the business. Herb, who deplored debt, saw to it that the company never overextended itself. Southwest could've grown much faster over the last 46 years, but instead, the company has chosen to pursue a slower, more methodical expansion.

We remember being interviewed with Herb one time when a reporter asked him what his vision was for Southwest in the next ten years. Herb got very serious and responded, "My vision is to keep Southwest Airlines job-secure for our people." It is remarkable to think that up to the time of Herb's passing, Southwest has never had a furlough or layoff.

17. Be Decisive, Move With Speed And Agility

Herb felt that there is no perfect knowledge. You'll never have enough data to guarantee success. Endless planning, study and "chewing the cud" over a significant decision is another way of hiding, of avoiding risk. When your major capital asset travels at 500 mph, you can be almost anywhere fast. Southwest is lean and light-footed. It has proved over and over again that it can respond with a sense of urgency to windows of opportunity that open and close very quickly.

Herb subscribed to the ready, fire, aim approach because if you spend too much time aiming you may never get to fire. He said, "When USAir announced it was pulling out of six cities in California, I got on the phone and said, 'Get out there.' I called our properties department and told them to get busy getting those gates...because they'd only be available for a nanosecond. I called finance and said, 'we probably need five or six airplanes just as soon as we could get them...if you don't do it, someone else is going to!"

What makes this work are employees who are encouraged to make decisions at the local level knowing that if they make a mistake, they won't get crucified emotionally or lose their jobs. Fear of failure constipates an organization and slows things down. Freedom is the key to making things happen fast.

18. Culture Is The Boss.

If you asked Herb about Southwest's unique culture, he would tell you that it simply started with treating people the way he wanted to be treated and treating them the way they deserved to be treated. In other words, the culture of Southwest Airlines emerged out of the personalities of the people. Herb believed that culture is integral to Southwest's success, "One must realize that we have become what we are today because of that culture," he said. "It is a culture that recognizes the value of the individual, which encourages an entrepreneurial spirit, which helps people to find the career that makes them happy, and which encourages people to have fun at work. These are the very reasons for our success."

When Matthew Brelis of the Boston Globe asked about life after Herb at Southwest Airlines, Herb quipped, "I think it's hopeless." Then he laughed and said, "The real answer is we have a very strong culture, and it has a life of its own that can surmount a great deal." Even with his biggerthan-life personality, Herb believed that the culture is infinitely bigger than any one person, culture is the boss.

19. Define The Business As A Cause

The people of Southwest Airlines believe that their work is more than just a job, it's a cause or a crusade. They give ordinary people the freedom to fly and the opportunity to go, see, and do extraordinary things. They are in the business of freedom fighting for the grandmother on a limited income, the child whose parents are separated, or the entrepreneur who wants to expand her business into multiple cities.

Why do the people of Southwest believe this? Because Herb gave them a direct line-of-sight from their daily contributions to a noble, heroic cause.

Kelleher on the Business of Freedom

Thus, the ramp agents know that when on-time performance suffers habitually, more planes must be added to the system to maintain the schedule. The capital

to acquire these planes will come from higher fares, and this is an affront to the business of freedom. It hurts the airline. It jeopardizes job security. But most important, it hurts the consumer. And with the people of Southwest *that* becomes personal. Herb said, "If people are really devoted to their company as a cause, a crusade, it leads to higher job satisfaction, greater innovation, and higher productivity."

20. Herb's Golden Rule: It's Okay To Break The Rules

Herb let his values and his passion for fairness drive Southwest's operating strategy; not the behavior of other carriers. He wasn't afraid to question established ways of doing things. He said, "Conventional wisdom put a hell of a lot of airlines out of business."

Herb believed that Southwest is in the customer service business and happens to be an airline. If you're in the airline business you do what other airlines do; only you do it better. If you're in the customer service business, you redefine the business and therefore the industry by doing what makes sense for the customers you serve.

For example, when other carriers thought the short-haul market was chump change, Southwest developed the niche and expanded the market. When other carriers assumed that the only way to make efficient use of an airplane is the hub and spoke system, Herb built a point-to-point infrastructure at Southwest Airlines.

While other carriers assumed that your dead if you use a cattle-car approach to boarding passengers and don't offer first-class, Southwest offers no first-class seating. It seats customers on a first-come-first-served basis. While other carriers assumed that people would never fly if you don't provide them a meal, Southwest serves minor snacks. While other carriers thought it was professional to make gate agents and flight attendants wear suits, Southwest said, "We want our people to be comfortable."

An Iconic Legacy

In a commencement address to graduates at the McCombs School of Business at the University of Texas, Herb said, "Our mortality signifies that we have one earthly chance to make a mark—to be remembered—as a leader who accomplished something constructive for humankind."

Godspeed Herbie. Your mark is profound, and you kept us laughing the entire time. The world is better for having you in it.

Save a Wild Turkey for us. We miss you!

To learn about Herb's "Celebration of Life" go here.



AP Photo/Mike Stone

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