

WINNING THE SERVICE GAME:

Transitioning to a More Customer-Focused Culture

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INTRODUCTION

When an organization sets a vision as audacious as “become the Americas’ favorite airline by bringing humanity back to air travel,” it is making a firm commitment to deliver an experience in service that is unrivaled. In 2010, that is exactly what JetBlue Airways did. It would be no small feat in the best of times, but in the post-September 11 era of airline travel, when air travelers felt they were often treated more like cattle than like human beings, it was truly daring.

JetBlue, a New York City-based airline that launched operations in 2000, had already established a reputation for a strong internal culture of empowerment. Throughout its first decade, JetBlue enjoyed its share of successes while becoming known for its innovative approach to air travel, but had also suffered some growing pains. As JetBlue prepared to enter its second decade, the organization’s leaders had to confront some difficult realities.

THE EMPEROR HAD NO CLOTHES

On the surface, the situation looked rosy. For six consecutive years, JetBlue had received the prestigious J.D. Power & Associates honor for highest customer satisfaction. But something gnawed at the back of Chief Operating Officer Rob Maruster’s mind—he wasn’t sure what specifically was driving those results, and his lack of confidence in them translated to a feeling of vulnerability. So the company did some digging, and what it learned was eye-opening. Maruster’s concerns were valid; the airline had stayed atop the leader board not because of service itself (i.e. a human connection from crewmember (at JetBlue, employees are referred to as crewmembers) are to customers, but because of the material commodities it served on board (i.e. leather seats, free DirectTV at every seat, and unlimited snacks and drinks). For years, external reviews and recognition had focused on these tangible items and created an illusion that was tough to crack.

In fairness, the service delivered to customers was not bad per se, but it was not the differentiator many inside the company assumed it was. Worse still, leather seats, television and other amenities was something that could be replicated by any other carrier that had the wherewithal to do so and thus not what would continue to ensure JetBlue would remain the top carrier for customer service. So, the imperative was clear. For JetBlue to ensure a hold on the lead it had captured, it had to differentiate how it served customers versus what it served them. If it could do this, JetBlue would bring a welcomed dose of humanity back to air travel and achieve its vision of becoming a the “America’s favorite airline by bringing humanity back to air travel”.

At JetBlue, long-term success meant delivering magnificent service to each and every customer—every time—and becoming a world-class hospitality organization.



Photo courtesy of JetBlue Airways

Together, a small cross-functional team of JetBlue leaders and a team from gothamCulture developed a hypothesis: if JetBlue can heighten the intense loyalty and a deep emotional connection with its crewmembers, the same type of connection will be made between crewmembers and the customers whom they served. Of course, transforming organizational culture can be a monumental feat: current values and beliefs must be assessed, the ideal future state must be probed for, the gaps between the two must be explored and explained, and the strategies to move from the current state to the future state must be developed, tweaked, and eventually deployed. Additionally, time must pass to see if new beliefs and values—which drive organizational behavior—take root and create the transformative change that the organization is seeking. It would have been easy to send crewmembers to “charm school” and teach them (not team them) how to be nice, but fundamentally JetBlue believed that this directive approach would not achieve the results there were seeking.

There were three situations at play that were particularly vexing. The first was that after the significant winter storms of 2007, when hundreds of JetBlue customers were stranded for up to 10 hours on the tarmac at New York’s JFK International Airport, the organization appropriately focused its efforts on improving operations to prevent another meltdown, even when outside forces such as weather wreaked havoc on the system.

Second, many in the organization already believed that service was an established differentiator, and that operational reliability was the only major area that required improvement. The proponents of the service initiative faced an uphill battle in convincing others that an investment of time and resources should be made to improve an area that many believed was running optimally.

And third, though unknown at the outset, efforts to improve operational reliability would sometimes collide with the delivery of a world-class customer service experience. Tensions can exist between the complex task of pushing an airplane on schedule—often under time pressure, for example, while simultaneously providing great service.

WHY FIX SOMETHING THAT’S NOT BROKEN?

One inevitable challenge in this situation was convincing crewmembers of the need to change given years of recognition for service. Crewmembers would need to understand that, upon deeper analysis, the airline was winning awards because customers were responding to what they received during their flight experience, not necessarily how the service was delivered. Secondly, they needed to internalize the fact that, year-after-year, JetBlue’s margin of victory was beginning to erode; competitors were closing in on the leader position. If nothing changed, JetBlue faced the real possibility of losing its reputation of being the “Best Customer Service Provider” in the airline industry. This, the airline’s leaders felt, was enough of a case to convince even the most ardent believers that a change in its service approach was necessary.

THE “INSIDE-OUT” APPROACH TO CHANGE

Comprehensive strategies are often developed by senior leadership. They are pushed onto an unconvinced audience which can leave employees feeling disengaged and isolated in their work. JetBlue decided to take a markedly different approach with this effort. In order to “bring humanity back to air travel,” JetBlue decided to use the occasion of its 10-year anniversary as an opportunity to kick off the change effort by starting new conversations with crewmembers and help them reconnect with JetBlue’s mission; to link what they did day-in and day-out to the success of the organization, and to create a community of corporate citizens who were willing to expend their discretionary energy to delight customers.

Core Principle:

... crewmembers who are engaged and informed about where the company is headed and why—and who are emotionally bonded to the organization—will display the attitudes and behaviors necessary to achieve a vision that is predicated on service.

The basic premise behind the methodology was that crewmembers who are not engaged and informed about where the company is headed and why—and who therefore are not emotionally bonded to the organization—will not display the attitudes and behaviors necessary to achieve the service vision. Rather than just cascading a complex strategy developed by executives in the “ivory tower” in hopes that people would be able to link their individual contribution to the overarching purpose, JetBlue took a much more engaging and collaborative approach to ensuring their strategy was implemented successfully. Leadership at all levels connected with frontline crewmembers in a way that would reinvigorate them and change their relationship with the organization. Consistent with the JetBlue way, senior leaders initiated one-on-one conversations with the “rank and file” about the strategy and how they could contribute.

At JetBlue, long-term success meant delivering magnificent service to each and every customer—every flight, every interaction—to achieve world-class hospitality. JetBlue set out to create company-wide ownership of the strategy by engaging crewmembers in order to find out what both enabled and prevented them from delivering magnificent service. While the theory is simple, putting it into practice takes thoughtful planning.



Adapted from Hatch & Schultz

CHANGING A CULTURE: GETTING THE BALL ROLLING

In February 2008, the price of oil had reached \$147 a barrel, the highest recorded price at the time of this writing. Oil had slowly become the number one or two line-item cost for all airlines and, at \$147 per barrel, forced new decisions that had implications throughout the organization. For some airlines, it meant going out of business (SkyBus). For others, it meant mergers (America West and US Airways), and for others still, it meant bankruptcy (United, Delta). For JetBlue, it meant making the tough decision to start charging for amenities that had previously been included in the ticket price. This led to confusion for the frontline crewmembers, and complication around JetBlue’s core identity as a “no first class, no second class citizens” brand. JetBlue realized that, in order to maintain its brand position in spite of the decision to charge for amenities, it had to carefully manage the tension between the business needs and the service imperative. On a macro level, the organization had to shift its mindset, but the only way to make that happen was team-by-team and crewmember-by-crewmember. Crewmembers who would be forced to ask for a customer’s money had to fully understand why they were now being put in that position so as not to consciously or unconsciously erode the brand while doing so. In order to shift the organization’s mindset, a cross-functional team of internal operational subject matter experts and an experienced team from gothamCulture in large-scale culture change embarked on a journey to plan the transition from loss to profit, and from service laggard back to service leader.

<i>Estimated customer interactions by crewmember each month:</i>	
<i>One Flight Attendant</i>	<i>7,000</i>
<i>One Airports Agent</i>	<i>15,000</i>
<i>One Reservations Agent</i>	<i>3,000</i>
<i>One Pilot</i>	<i>6,000</i>

It was estimated that the average Flight Attendant interacted with about 7,000 customers each month and that these interactions tended to be longer in duration than other customer touch points. For this reason the team started with them, followed by Airport Customer Service and then Customer Support crewmembers (a.k.a. reservation agents) located in Salt Lake City. In order to help guide the lengthy process of culture transformation, a three-phase approach was used:

- Create JetBlue's vision for service
- Inform and engage leaders and frontline crewmembers through dialogue
- Work together at all levels to provide the necessary resources and to remove obstacles that would uphold magnificent service

The idea was to engage leadership at all levels in understanding the airline's vision for its second decade, its strategy of customer service, and how those provided the guardrails for the airline to execute its business strategy. This dialogue would focus on the crewmember's role in the company's success based on their functional responsibility, and how to help crewmembers make the mental shift from a transactional focus to one more balanced on both the company's operational needs and the customer experience.

Once leadership across the airline was on board and clear about their role, front-line crewmembers were invited to attend one of two summits in New York City and Salt Lake City, which included small groups of their peers, their divisional leadership, and leaders from every JetBlue city and department. The purpose of the summits was to involve the people who would be most affected by the strategic direction. They would be invited to personally contribute to the development of tactics that would enable the organization to execute the strategy. Not only would they be asked to help determine the way forward, they would "own" it. As it unfolded, they learned about the company's business objectives, how their attitudes and behaviors impact organizational performance, and the link between their day-to-day contribution and customer experiences, both positive and negative.

The summits were a shock to the system. For both groups, the charge was to be inclusive by giving crewmembers a voice, while also being innovative and engaging in order to keep things exciting and on-message. For the Flight Attendants that were brought to New York City, Broadway performers made parallels between creating unique memories for audiences every day – even if it is their 5,000th performance—and the role of the Flight Attendant creating a unique travel experience for their customers, even if it was their 5,000th flight. For the Customer Support crewmembers, summits took place in Park City, Utah, host to the 2002 Winter Olympic Games. The summits focused on what it takes to be a world-class athlete—training, dedication, sacrifice, and an excellent support team—and how that related to being a Customer Support crewmember for JetBlue. Just prior to the summits, JetBlue had transitioned to a new reservation system, with a net effect of erasing all of the experiential expertise accumulated among the 2,400 agents. The message of training, resilience, and "sticking with it", that were felt by Customer Support Crewmembers in the Olympic Village resonated with them.

The core element of the summits was built around a heightened sense of individualism and the open, two-way dialogue that changed the company's conversation from top-down, to a much more collaborative discussion about where the organization was headed, why, and how the frontline could help in realizing the shared vision for the future. The summits created space for crewmembers and leaders to identify with the vision and strategy and to engage in discussions about how their individual behaviors and attitudes helped the organization achieve success.



Photo courtesy of JetBlue Airways

The summits also allowed space for participants to engage in dialogue with each other and with their leaders about the things in the day-to-day workplace that made it difficult for them to deliver magnificent service. This type of feedback is often collected in organizations in an attempt to understand the barriers that exist, but all too often managers become overwhelmed by the sheer amount of feedback they receive and the never-ending task list such feedback creates. As a result, in these situations often nothing changes. Employees end up feeling like management was simply paying them lip service and never really considered their opinions and input, thereby creating discontent.

A NEW WAY TO CLOSE THE GAP

Feedback from the summit became the basis for crewmembers to coalesce and volunteer for teams that were focused on tackling the issues that would interfere with the success of the strategy. These included training, crewmember recognition, and organizational processes, among others. Each team was led by a mid-level manager, which provided a unique leadership development opportunity and was directly focused on the business.

The summits were intended to reinvigorate crewmembers and help them understand the direction of the organization for the next decade and the critical role they would play in achieving the vision.

After leaving the summits, the third phase of the process was to refine the thousands of pieces of feedback into a series of tasks and projects that aligned with the current strategy of developing a world-class service organization. These projects were then prioritized, funded, and integrated into the organization's strategic plan and then executed by the interest teams with support from senior leadership. This resulted in a comprehensive strategic plan that was guided by market analysis and big-picture considerations of the executive team but also refined with tactical projects that were necessary for crewmembers to be able to implement the strategy in day-to-day operations.

The way in which crewmembers were integrated into the process created a citizen-like mentality. Rather than "engaging" their workforce with a once-a-year survey and then leaving leaders to figure out how to solve a litany of issues, JetBlue invited those charged with delivering excellent service to help develop the very tactics needed to do so. And that's where the rubber met the road.

EMBEDDING THE IMPORTANCE OF CUSTOMER FOCUS INTO THE FABRIC OF THE ORGANIZATION

The process of sharing the vision and strategy with crewmembers and inviting them to participate in creating it was a critical part of the puzzle, but how it was done and the signals that were sent in doing it were equally crucial. Taking action to ensure that a customer focus was embedded into the fabric of the organization was paramount, but it had to be done in a way that balanced the tension between service and operational performance. Specifically, the pendulum could not swing so far toward service that the organization de-emphasized the operational performance that had led to its prior success.

While competitors typically approach the service issue by sending employees through training programs on how to be nice with the hope that it will change behavior in the long-term, JetBlue realized that its crewmembers already knew how to do that. Training would address gaps such as conflict resolution, team dynamics, and interpersonal skills, but the deeper challenge would be to inspire people to use their discretionary energy—to want to exhibit those behaviors on a daily basis—and ensure they had the right tools and a work environment that would support and reward them for delivering magnificent service. When that could be seen on a regular and measurable basis, a real culture transformation would have occurred.

JetBlue realized that their crewmembers already knew how to be nice... the deeper challenge was evolving the culture in a way that inspired people to want to exhibit those behaviors on a daily basis.

It took the collaborative effort of subject matter experts in the field of organizational culture and large-scale change, internal corporate communications, marketing and brand, as well as internal leadership involvement at all levels to accomplish this ongoing effort.

The team had targeted the issue, identified the root cause, and focused its efforts on implementing a solution. By leveraging pre-existing communication processes and meeting structures, the team was literally able to change the conversation, maximizing the use of face-to-face dialogue and minimizing the use of conventional one-way “communication” methods such as email blasts and memos.

Additional outlets were created to supplement these pre-existing channels in order to continually reinforce the message that JetBlue was focusing on the customer experience while maintaining its operational integrity in order to maintain their title of J.D. Power and Associates’ best-in-class.

Organizational artifacts such as painted tiles that crewmembers painted during the summits that conveyed cultural significance were posted throughout the workplace in areas such as break rooms and service counters in order to instill pride and a sense of belonging, and to support and reinforce the crewmembers’ shared past. Interest teams dove into analyzing the customer experience at all touch-points in order to create and embed standard “signature moves” that all crewmembers would perform as the minimum standard customer service actions. Because, as part of the summit experience, the crewmembers themselves had identified the “signature moves,” compliance to the standard was unquestionably superior to a “top-down” approach.

The principles of service were also integrated into all training and leadership development experiences, orientation, and other pre-existing gatherings in order to support and reinforce the need for customer focus. At the corporate level, human resources processes such as recruiting, selection, rewards and recognition, and talent management evolved to support and reinforce the focus on the customer as well. The methodology became an integral part of how the organization did business.

TIPS AND TECHNIQUES

- **Building Emotional Bonds versus Training:** Training would address gaps such as conflict resolution, team dynamics, and interpersonal skills, but the deeper challenge would be to inspire people to use their discretionary energy—to want to exhibit those behaviors on a daily basis—and ensure they had the right tools and a work environment that would support and reward them for delivering magnificent service.
- **Honoring the Past:** Before asking people to embrace a new way of doing business, especially in light of past success, it was important to take time to acknowledge the collective history of the group that got them to their second decade.
- **Informing and Engaging:** Involving crewmembers at all levels in taking an active role in creating the strategic roadmap for the second decade helped people understand how what they did day-to-day fit into the success of the organization.
- **Embedding it in the Culture:** Extensive thought and effort went into the ways in which new thinking and behaviors would manifest themselves in the organization moving forward.
- **Signature Moves** were created by the Crewmembers themselves. One example includes the creation of unique behaviors (such as the “wave-off” by ground operations personnel to departing aircraft) that became the standard behaviors exhibited by crewmembers. These “Signature Moves” were created by the crewmembers themselves once they understood the strategy for the second decade and integrated them throughout the entire organization.
- **Investment vs. Cost:** JetBlue’s leadership team understood the differences between a cost and an investment and spent a good deal of time educating the organization on this as well. Although this effort required outlay of financial resources, it was something that would generate a substantial financial return.

MEASURING CHANGE

One critical consideration for this effort was the need by various stakeholders to understand how these efforts were helping to move the needle over time. This initiative represented a significant investment on the part of JetBlue and, rightfully, they wanted to make sure that it was yielding results. Measurement was not an afterthought, as it so often is when designing large-scale initiatives, but rather a key part of the planning process from the start.

JetBlue's internal assessment and evaluation team created a comprehensive measurement plan that was comprised of the operational metrics that had been determined to be key drivers of success. This measurement plan helped track progress on the effort and allowed the team to make revisions, where needed, to ensure the gaps were closed. Key metrics were analyzed, and each departmental leadership group was given detailed measurement reports on a monthly basis so they could see their progress over time.

For example, Customer NPS (Net Promoter Score) is a metric widely used by service organizations including JetBlue, to measure the impact they are having on their customers. With scores ranging from negative 100 to positive 100, companies are always striving to have higher raw scores. When NPS was examined in the context of this initiative, it was found that when two out of the three Flight Attendants on a coast-to-coast flight had gone through these summits, NPS saw a full 6 point increase on average; a jump that would make all like-focused companies envious! Additional metrics increased as well, such as the Compliment to Complaint Ratio and crewmember engagement scores.

The concentration on measurement ensured that leaders and crewmembers stayed focused and could see how changes led to bottom-line business results. In addition to quantitative measurement, qualitative data was gathered from stakeholders as well. This qualitative data took many forms, adding color and depth to the quantitative metrics and providing stories of crewmembers who were displaying customer-focused behaviors throughout the operation. These stories and "heroes of service" were publically acknowledged, thereby further reinforcing the desired attitudes and behaviors that the organization needed in order to execute their strategy. Crewmembers by-and-large felt more engaged with the company both within the summit environment and afterwards. They were appreciative of the opportunity to participate in crafting JetBlue's plan for the future and experienced a renewed connection to the company.

When considered together, this information served as an impetus to further prioritize key projects and enhance leadership support in pockets around the organization.

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—New York Times



Photo courtesy of JetBlue Airways

THE WAY FORWARD: GROWING THE GAP

JetBlue continues to engage crewmembers in its critical transformation from “New York’s hometown airline” to “The Americas’ Favorite Airline.” Evidence proves that this cultural transformation process enables crewmembers to deliver magnificent service to customers and the results are helping to ensure that JetBlue “grows the gap” between itself and the competition. Just six months after the initiative commenced, which is now named Culture is Service within JetBlue, the New York Times columnist, “The Haggler,” who normally focuses on complaints, wrote a column that was tantamount to a love letter to JetBlue about the way in which crewmembers went above and beyond to deliver a magnificent customer experience. “In a vast majority of service-related interactions in this country, you own your problem. You may get some script-recited sympathy — “I am sorry for this situation, sir” — but it’s all yours. JetBlue’s success clearly stems from a culture that a lot of very smart and committed people have created, and cultures are very hard to capture or explain,” said the New York Times.



Photo courtesy of JetBlue Airways

After one year since JetBlue embarked on this journey to transition to a more customer-focused culture, the company earned its seventh J.D. Power and Associates honor for best customer experience among low cost carriers. Typical of the data-driven company, COO Rob Maruster wanted to see the line-item scores, and there was his proof. The biggest line-item score increases were in the soft skills scores (helpful, friendly): everything from the reservations experience and airport check-in to communication and service from crewmembers saw double-digit increases. As Mr. Maruster said, “This year, I felt we earned it. We put the work in, we know the way forward, and now, if we achieve the highest honor going forward, it will be because we are doing the right thing.”

This inclusive approach and methodology is based on the belief that the relationship between crewmembers and customers is a critical component in driving customer loyalty, brand recognition, and crewmember engagement. This initiative continues to seek ways to make JetBlue’s strategy actionable by frontline crewmembers, provide them genuine opportunities to develop and deliver the JetBlue Experience, and build leadership’s capability to listen.

From the Field:

“Joe has a renewed dedication to living according to the Values, resulting in better service for JetBlue’s customers. With new relationships established and a greater knowledge about JetBlue’s strategy and how each individual can impact customer loyalty, delivering magnificent service has gotten easier. Both crewmembers and crewleaders seem more dedicated to JetBlue’s success and more likely to view their work not as a job, but as a career.”

gothamCulture helps clients achieve exceptional organizational performance through the lens of culture and leadership.

The gothamCulture team is comprised of seasoned professionals from a broad array of professional backgrounds who support client change efforts with precision and focus on achieving tangible performance gains.