

## JetBlue Airways: Developing Leaders in a Fast-growing Start-up

**All start-up companies** face challenges as they seek to find their niche, establish a market presence and develop processes and procedures. Imagine dealing with the trials of a start-up while coordinating a staff of 2500+ employees, adding approximately 5-6 new employees a day while competing in one of the toughest industries in the world. That is the scenario that faced JetBlue Airways in 2002.

The brash, low-cost airline entered the market in 2000. It survived competition from the major airlines, the travel turmoil following the terrorist attacks of September 11, 2001 and the uncertainty tied to any start-up. JetBlue sought to re-define air travel by bringing humanity back to it. This included providing new planes with leather seats and personal televisions for each passenger. It also included never overselling flights, focusing on being on time, updating check-in and boarding procedures and more. All of these perks were provided despite the bargain fares provided by JetBlue.

JetBlue made a mark on the airline industry through its aggressive and unconventional approach which mirrored the leadership style of its founder and CEO, David Neeleman. Neeleman created the vision for JetBlue Airways after experience starting another airline and working at Southwest Airlines. He jumped into his newest venture with the support of David (Dave) Barger, president of JetBlue. David and Dave, as they are known, provide a vision and leadership that continue to cascade throughout the organization. They created a company that saw profits when other airlines were failing. They made over \$1.2 billion in revenue in 2004. By the end of 2005, JetBlue served 35 "Blue Cities" with a fleet of 77 Airbus A320's and an incoming fleet of the new Embraer 190's. JetBlue was the first airline to implement paperless cockpit flight technology and to have 100% e-tickets.



### Feeling Growing Pains

As the airline continued to grow, it became more and more difficult for David and Dave to personally guide and direct all activities. As the start-up fervor began to wear off, new problems started to arise. In the first few years, results of the employee survey indicated that employees (or rather "crewmembers" as they are called at JetBlue) had very positive reactions and were pleased with the work environment. However, in 2002, the tone of the crewmember survey changed. Specifically, the feedback indicated that there were some serious problems with leadership and teamwork.

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*(JetBlue Airways Bluenote, 2004)*

## Facing a Leadership Gap

With the airline growing so quickly, many crewmembers were hired or promoted without having much supervisory experience. The lack of experience and guidance quickly became a problem. Supervisors and managers were creating a workplace that did not reflect the leadership spirit that David and Dave wanted to promote. A memo to crewmembers stated, "As in the past, we will continue to rely on our JetBlue Leaders to guide our Crewmembers as we delight our Customers and pave new roads in air travel. It is leadership that will enable us to stay small as we grow, to continue the unique and special JetBlue experience that distinguishes us from any other company." (Bluenote, 2004) In order to improve and expand leadership, they tasked the Learning and Development (L&D) group with creating an intense leadership program that would be required for anyone in a leadership role. The leadership planning initiative was spearheaded by Deborah McCuiston, Manager of L&D, and Shawn Overcast, Supervisor of Crewmember Experience and Impact. After an intense period of research and planning, a series of courses named the Principles of Leadership (POL) was born. "POL is sort of a mid-flight correction – a response to some troubling evidence that JetBlue's culture was already starting to stray off course." (Salter, 2004).

## Setting Leadership Standards

McCuiston, Overcast and their L&D team faced the challenge of creating a leadership program in an organization that did not have a documented leadership philosophy. In order to develop a program that would tie to the strategy of the company, they worked with senior leaders to define leadership principles. All of the POL courses were designed around five principles that all JetBlue leaders are expected to embody.

### JetBlue Leadership Principles

1. Treat Your People Right
2. Do the Right Thing
3. Communicate with Your Team
4. Encourage Initiative and Innovation
5. Inspire Greatness in Others

The first course, called POL Foundations, is a 2 day course that introduces the 5 leadership principles and also covers critical human resources topics such as

drug and alcohol awareness and harassment prevention. POL Foundations also creates a legacy of leadership, because most of the course is taught by members of the Executive Crew. David and Dave as well as other senior leaders take the time and interest to pass along the principles and expectations. JetBlue believes in leaders teaching leaders. After completing POL Foundations, the leaders take an intensive 3 day course called POL in Action, which focuses more on skill building. JetBlue also provides continuous education through a series of expert lectures called Leadership Link. JetBlue has a strong commitment to training leaders. By the end of 2005, they had completed 35 classes of POL Foundations (1179 students), 33 classes of POL in Action (594 students) and 2 Leadership Links (212 participants).

## Developing POL In Action

The POL in Action course moves beyond the basics of leadership and focuses on building effective leadership skills through feedback, coaching and personal leadership effectiveness. It teaches crewmembers to build relationships with their teams. This class is taught by highly skilled facilitators from L&D and also involves personal coaches. Some sections are taught by operational directors and managers in order to continue the theme of leaders teaching leaders.

In order to keep the training relevant and interesting, JetBlue has instituted many individualized elements. For example, leaders receive personalized attention and support, including a behavioral assessment, a leadership 360 assessment, videotaped activities with feedback reviews and a one-on-one feedback coaching session. The outcome of the class is a detailed action plan to support ongoing development and behavior change. This wide variety of assessments and learning strategies also helps reinforce the 5 leadership principles.

The JetBlue developers did extensive research to find the tools and concepts that would be most effective in their high-paced, growing environment. Instead of selecting a canned leadership training vendor, they created a best-in-class program that would change the way business was done at JetBlue. It took hundreds of hours of research, instructional design, development and testing to find the perfect combination of practical and theoretical training elements. The JetBlue L&D team continues to seek feedback on the course and update it as needed.

## Using the Denison Leadership Development Survey (DLDS)

When designing the POL in Action course, the L&D team compared the usefulness of several types of individual assessments. They were interested in using a 360 feedback assessment, but had some concerns as well. Is 360 feedback right for JetBlue? Can we keep it separate from the performance management process? Can it be useful without being intimidating?

JetBlue conducted an extensive search to find the right 360 survey tool for the organization. They chose the Denison Leadership Development Survey (DLDS) to guide personal development and aid in the coaching sessions. One reason for choosing the DLDS was that the Denison model linked seamlessly to the five JetBlue Principles of Leadership. A second reason was that the DLDS had a bottom-line business focus. With a cynical audience, the survey had to be business-oriented and not have a lot of fluff. Finally, the DLDS provided easy-to-interpret feedback which helped participants and feedback coaches. As the introductory note from David and Dave states, "...the purpose of the survey is for JetBlue Leaders to learn – about how others see them, about how they are living the Principles of Leadership, and about how they can improve."

To emphasize the link between the DLDS and the JetBlue principles of leadership, JetBlue created a modified version of the Denison circumplex for the feedback reports. The revised model displays the names of the JetBlue principles next to the names of the Denison traits (see the circumplex comparison below). JetBlue also modified some of the survey items. Although they did not change the meaning of the items, they changed the word "employee" to "crewmember" in order to reflect the accepted verbiage at JetBlue.

The participants complete the DLDS as part of the pre-work for the class – completion of the survey is a requirement for attendance. The DLDS uses the Denison model to measure the effectiveness of leaders based on feedback from themselves, boss(es), peers, direct reports and other colleagues. Each leader goes online to complete a self survey and to select 3 to 5 peers to complete the survey about the leader, 3-5 direct reports to complete the survey and to indicate their boss. In the feedback reports, bosses are identified by name, but the results from other respondents are aggregated, so respondents remain anonymous. JetBlue addressed its leadership gap by developing an intensive classroom course that uses the Denison Leadership survey to foster individual development.



Standard Denison Leadership Development Survey (DLDS) circumplex.



JetBlue-ized Leadership Development Survey circumplex.

## “Scaling Neeleman”: Moving Beyond a Charismatic Leader

As described in this story, David Neeleman is a larger-than-life leader who is credited with creating the success of JetBlue Airways. Neeleman is an entrepreneur who dropped out of college to start Morris Air, which was eventually bought by Southwest Airlines. He tried working in the established Southwest organization, but found that his innovative spirit and ideas did not fit well. He left Southwest to start several airline-related companies until his non-compete agreement with Southwest expired and he could start JetBlue. Neeleman’s dynamic leadership propelled JetBlue to success. But this leads to a question: Can JetBlue maintain the Neeleman spirit and culture as it grows larger in size and number of crew members? As Chuck Salter asked in *Fast Company* magazine (2004): “In many ways, the question of whether JetBlue can do all of this – grow and standardize and automate – while still preserving its personal touch comes down to this: Can Neeleman be scaled?”

Research and experience tell us that charismatic leaders can have a powerful influence on an organization. They are dynamic and compelling and create a strong sense of loyalty among followers. Although a charismatic leader can create a positive legacy, there is also some inherent risk. The risk is that the organization builds itself on the skills and personality and leadership of that one person. When that person is gone, or cannot touch

every part of the organization, the fallout can be dramatic. Organizations with charismatic leaders must always consider the long-term and develop future leaders and structures that will endure after the charismatic leader is gone. JetBlue is meeting this challenge head-on. They are implementing many programs to ensure long-term leadership success at JetBlue Airways. Some of their efforts include:

- 1. Choosing Strong Leaders:** Neeleman chose executives and managers that share and live the JetBlue principles of leadership. They reinforce the principles through their everyday activities.
- 2. Developing Training:** JetBlue committed to creating best-in-class leadership training - and built the Principles of Leadership courses from the ground up.
- 3. Connecting to the Operation:** All senior leaders are required to be involved in the operations. Many of the senior leaders are pilots and actually do flights each month. All leaders are also assigned a “Blue City” and visit the operations in their assigned city at least once a quarter to check in and gather feedback.
- 4. Maintaining a Dialog:** JetBlue seeks frequent feedback from crew members. This includes feedback after training as well as an annual employee survey. Each department builds an action plan based on these results.

### Related Resources

Denison Consulting. (2005). Research Notes: Overview of the Denison Model. Ann Arbor, MI: Author.

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Peterson, B. S. (2004). Blue Streak: Inside JetBlue the Upstart that Rocked an Industry, Penguin Group: New York.

Salter, C. (May 2004). And Now the Hard Part, Fast Company, 82, p. 66-75.

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