



What's Love Got To Do With It?

WHEN JACK WELCH WAS CHOOSING HIS SUCCESSOR AT General Electric last November, he agonized over selecting just one of his top candidates. "I love all three of these guys!" he said.

Years earlier, when the man who would eventually get the job, Jeff Immelt, had had a terrible year, Welch said to him, "I love you, and I know you can do better."

At a university speaking engagement a few months ago, a student talked his way into the green room beforehand and asked Welch for his autograph. Welch later told the audience about the incident, saying, "I loved the kid—I could have hugged him."

My point in citing these vignettes, from among many similar ones, is that Jack Welch uses a certain word a great deal, and it's a word people hardly ever associate with big-cheese CEOs. That makes him highly unusual but not quite unique. Another CEO (actually, like Welch, a just-retired CEO) with the same predilection is Herb Kelleher of Southwest Airlines. The company's stock exchange ticker symbol is LUV, which in the early days was partly a marketing ploy, since all of the airline's flights went into or out of Dallas's Love Field (named not after the divine passion but after a pilot, Lieutenant Moss Lee Love). Still, the company's advertising tag line for years was "The airline that love built," a slogan that would give most airline CEOs hives. And Kelleher has never been shy about identifying the source of his company's success: "A company is stronger if it is bound by love rather than by fear."

As a serious business person you'd roll your eyes and call these guys flakes if it weren't for the little matter of their achievements, which of course are off the charts. Just as a reminder, Welch created more shareholder wealth than any CEO ever—more than \$300 billion worth. Kelleher built the world's most valuable airline, the only one to earn a profit every year for the past 28 years, a record that will apparently survive this worst year in airline history.

Welch and Kelleher have a lot in common. They're hypersuccessful Irish-American CEOs of about the same vintage who know each other well; GE has sold Southwest quite a few jet engines. But when they get to using that most unbusinesslike word, they're going in different directions, both worth our attention.

Kelleher is talking about the basis of a unique corporate culture, which he believes is unquestionably the source of South-

west's success. Latest example: Other airlines have asked employees in the past few trying weeks to donate portions of their pay to the company; some will do it, but years of nasty labor relations will surely come back to bite the airlines now. At Southwest the employees organized the giveback effort on their own, starting immediately after Sept. 11. Southwest is the only U.S. airline to report a profit for the third quarter. And by the way, it's the most unionized airline in America.

For Welch, being unabashed about saying "love" is a natural element of a generally passionate nature. Whatever he feels, he feels strongly, and he's certain that this trait is crucial to success in business. He has long said that the first quality of an A-player is passion. His fundamental principle of managing people is to make sure you hug 'em when they need to be hugged and kick 'em when they need to be kicked. Most companies are lousy at it. He says he learned it from his mother.

Let's be clear about what these guys are not saying. You can read a lot of New Age stuff these days about the importance of love in business, because business is all about relationships, and so shouldn't we treat each other with respect and goodwill, etc.? It's all perfectly worthy, but as a line of argument it gets strained, preachy, and tiresome. Welch and Kelleher are just talking about being human and real in an environment that often feels artificial. Kevin Roberts, CEO worldwide of the Saatchi & Saatchi ad agency, says that instead of trademarks we should think of brands as "lovemarks," a term that he says can make an entire board of directors squirm in mere minutes. But his simple point is exactly in line with the Welch and Kelleher attitude: "We need to pump emotional juice into how we do business."

Similarly, we are not talking here about the trend toward spirituality in business. These guys aren't part of any trend. They've been talking and behaving the way they do for more than 40 years, and sometimes it didn't seem trendy at all. During the go-go '80s or the dot-com '90s, the L-word was decidedly out of tune.

Welch and Kelleher didn't care, and I'm not sure they even noticed. What changes over time is what we're ready to hear. And right now, with so many people giving a little extra thought to what the whole game is about, it's great to hear what these guys have said all along.

The L-word makes most hard-nosed execs break out in hives. Not Jack Welch and Herb Kelleher.