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### **The Profit vs. Safety Dilemma**

Some airlines in the past, and even today, continue to focus on the profit machine at the expense of safety. In the past, Frank Lorenzo's harsh leadership style and tactics were the quintessential example of driving for pure profit at not only the expense of safety but also at the expense of many employees' well-being (which in itself can be a safety issue). But it doesn't have to be that way. An airline can be both profitable and safe at the same time and there are some admirable airline CEO's that are showing how this can be done. These CEO's use charismatic-type leadership styles, with approaches that include creativity, outside the box thinking, and understanding the true meaning of employee empowerment (a key aspect of a healthy company culture).

Richard Branson of Virgin Atlantic Airways and Herb Kelleher (retired) of Southwest Airlines are both excellent examples of highly effective leaders for the sake of safety and the bottom line. Branson's leadership style centers on "service and value for customers, and to an organizational culture focused on satisfaction, creativity, irreverence, and fun" (Schermerhorn, Hunt & Osborn, 2003). Similarly, Kelleher exuded the same type of "casual" organization that has become the trademark of one of the safest and most successful airlines to this day. Also known as a high performance organization (HPO), Southwest Airline's key to success has always consisted of heavy team emphasis with a flat and lean organizational hierarchy from the

very beginning (Schermerhorn, Hunt & Osborn, 2003).

Other management styles were not so good. It took the intensive dissection of an air crash that occurred in Dryden, Ontario, Canada to fully understand how much of a role organizational culture can play in aircraft accidents. In 1989, an Air Ontario passenger jet crashed shortly after takeoff in a wooded area not far from the end of the runway. Although it was not the biggest accident (in terms of equipment loss and fatalities), the largest investigation of an air crash to date was launched by a Royal Commission, headed by a justice of the Supreme Court. It appeared that this was more than a simple "open and close" airplane crash. For the first time, the organizational factors (including a highly profit-driven management culture) were intensely scrutinized and listed as contributing factors in the accident. Although the root cause was attributed to the crew's failure to de-ice before taking off in heavy snow, the report included other—and at the time less recognized—links in the error chain such as regulatory and organizational factors.

The factors which may have been contributory to the crew's improper decision to forego de-icing of the aircraft in heavy snow were propagated at the very highest level of the organization. Known as latent (or insidious) threats, they can be extremely hard to identify due to their stealthy nature. They may hide for months or even years, but at the right moment these types of threats can have a significant impact on an error chain. That is exactly what happened in the Air Ontario crash.

Air Ontario brought with it a relatively new understanding of how organizational factors (such as corporate culture) can, and do, play a significant role in everyday flight operations. The previous finger pointing at the pilot (s) as the sole cause of an accident was finally being dispelled, as the effects of organizational factors were now being clearly identified and

acknowledged.

The type of thinking that occurred in the Air Ontario crash was purely profit-driven from the top of the hierarchy all the way down to the line pilots. Air Ontario is an excellent case study in the profit vs. safety dilemma. In hindsight, one must wonder what was the cost of that ill-fated flight? When you figure in a complete hull loss, 24 deaths, lawsuits, negative publicity, plus numerous intangible losses, the amount ran well into the millions of dollars. Clearly—in the profit versus safety dilemma—SAFETY LOST. Let's keep working on balancing those profit and safety scales! (Note: you may also see these scales referred to as Production and Protection).