



Guilty Until Proven Innocent: The Uphill Battle of Airline CEOs

For airline executives, failure is the expectation. While airlines are [currently reporting surging profits in an era of record-low oil prices](#), ending the year in the black is not usually quite so easy. What's more, airline CEOs must balance pleasing their shareholders, their employees, and their customers.

This balance is difficult to achieve. Jeff Smisek (above), former CEO of both Continental and United Airlines, was known as a shareholder-friendly executive, [significantly increasing United's share price](#), though he lost his employees' support in the process. Oscar Munoz, Smisek's successor, enters his role with employees and customers as his number one priority, and he already meets [criticism from activist investors](#).

My lifelong passion has been the business of the airline industry. Rather than the flying itself, it is the behind-the-scenes operation and management of the airline that piques my interest. For as long as I can remember, I have spent countless hours researching the intricacies of the industry—airlines' fleets and route networks, their company culture, their newest onboard product...the list continues. Continental, and now United after the 2010 United-Continental merger, has emerged as my favorite airline; I live and breathe United. Gordon Bethune, Jeff Smisek, and Oscar Munoz have all emerged as my personal role models. But considering the extent to which analysts scrutinize an airline CEO's every action, many of my heroes will likely fail to perform to the industry's, and employees', expectations.

So, what is the root cause that leads to such an uphill battle for the industry's executives?

Employee satisfaction

To be a successful airline, customers must be happy. For customers to be happy, employees must provide excellent service. For employees to provide such service, they must feel a part of the airline's vision and success. In an industry in which consolidation has become the norm, creating this employee buy-in has become one of a CEO's greatest challenges.

American Airlines' pilots' union recently [wrote a letter to American CEO Doug Parker](#), in which they criticized the company for "clinging to their old ways" and fostering a "toxic culture" in the midst of a merger between American and US Airways. Parker, who formerly served as CEO of US Airways, struggles not only to consolidate two massive airlines, but also to consolidate two cultures—two years into the merger.

United and Continental officially joined forces in 2012 after announcing the merger in 2010, and the company's flight attendants still operate under separate labor contracts. It's now 2016. While employees seem optimistic about Munoz and United's future, they aren't sold yet. After Munoz assumed the role of CEO, he quickly wrote [a letter to employees](#), and [later to customers](#), in which he welcomed and encouraged feedback. Industry analysts [jumped to criticize him](#) for doing so without providing a forum for communication.

Gordon Bethune is famed as one of the most successful airline CEOs in generating the ever-necessary buy-in from employees. He conquered the uphill battle that every airline CEO faces. It took multiple instances of repeated consistency, honesty, and transparency to his employees to finally win them over. Bethune joined Continental at a time when management distrust was high. He implemented a [Go Forward Plan](#) that took incessant encouragement and repetition to effectively enforce.

However, Bethune won his employees' trust, which led to Continental becoming employees', and customers', favorite airline. Continental was reliable, it served its customers well, and it boasted a culture where employees believed in what they were doing. Arguably, Continental's glory days lasted until the late 2000s, when unnecessary supplemental fees and a spike in airfares led customers to perceive airlines as money-before-satisfaction machines.

So, I ask again: what is the root cause of the struggles
airline executives endure?

Customer attitudes

Yes, employees often hesitate to accept and embrace the CEO's message, but the employees are not solely to blame. In an industry in which airlines receive more negative than positive press, employees have come to foster such hesitancy out of necessity. Customers look to identify the problems with an airline, and with their travel experience, before the positives. Even I have had some terrible experiences on United, but they often became some of my best because of how United handled them. As an aviation enthusiast,

I try to look for positives, not negatives. Unfortunately, most customers do the opposite.

Guilty until proven innocent

Of course, the industry is flawed, and of course, airline CEOs aren't perfect. But, I like to think of them as innocent until proven guilty, whereas the industry norm seems to be guilty until proven innocent. Moving forward, to generate a culture that employees believe in, that customers appreciate, and that generates growth for shareholders, we—and by “we” I mean everyone: customers, employees, and shareholders—need to give airline executives a chance. Oscar Munoz is trying his best, just as Jeff Smisek did after a massive merger. Doug Parker doesn't *want* American to fail.

Rather, innocent until proven guilty

Running an airline—directing a company that struggles to report a profit—is a tough job. Being an employee of an airline—working in its day-to-day operation—is a tough job. Being an airline customer itself has become a tough job. Collectively, our mindset must change. Airlines, and their executives, should be innocent until proven guilty, not the opposite. Any new company executive faces an uphill battle, and rightfully so, but the severity of the climb in the airline industry can, and should, be reduced.

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