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Airline CEOs: Who are they, and what background and skill set are most commonly chosen to run the world's largest airlines?

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ABSTRACT

Purpose: This paper aims to narrow the knowledge gap for airlines preparing for CEO succession by testing whether CEOs with a finance background are more prevalent as leaders of the largest airlines. This paper focused on three themes: functional background, succession planning, and insider versus outsider.
Design/methodology/approach: The study combined primary and secondary data, including a unique compilation of CEO profiles from the world's largest 100 airlines. This information highlighted the choices that company boards had made in selecting their leaders. Data was collected through the use of semi-structured interviews and emailed responses with twelve interviewees, consisting of CEOs, non-executive directors (NEDs), and executives and global airline consultants, all with experience from the top 100 airlines.
Findings: The results indicate that the larger the airline, the more likely it is to have a finance CEO (50% of the top 10 airlines). However, operations CEOs dominate the top 100 airlines, with 24%. Succession planning has strong support, with 72% of CEOs being insiders. NEDs prefer insiders, whereas other interviewees were more open to outsiders. Sixteen per cent of CEOs had no previous airline experience. In 2016, 24% of the top 100 airlines changed their CEO, suggesting that boards may have to give more consideration to outsiders.
Originality/value: No previous empirical research has been found that discusses the functional backgrounds of airline CEOs or any research that compares the profiles of airline CEOs. This study offers useful and practical guidance for airlines and their boards to improve how they prepare for and select their next CEO.

1. Introduction

The position of Chief Executive Officer (CEO) is much coveted. It is the highest-profile role in any business, having the power and influence to make or break a firm. Selecting a new CEO is risky for most companies. Clutterbuck (1998, p. 80) describes high-performing companies as “an orchestration of balances. The CEO is the conductor. Changing CEOs is like changing the conductor mid-way through a symphony. It takes very delicate handling to make the transition without causing the orchestra to falter”. For airlines, there is even less of a margin for error, as they are uniquely susceptible to a range of uncontrollable external impacts, from terrorism to volcanic eruptions (CAPA, 2013). Airlines also operate on thin profit margins. In the years 2000–2016, airlines globally had an average profit margin of just 0.34%, with seven years of losses and ten years of profits (IATA, 2016). The average profit per passenger between 2004, when it was first measured by IATA, and 2016, was US$2.33.

A company's board of directors is responsible for protecting and enhancing shareholder wealth (Furtado and Karan, 1990). The board is also responsible for selecting the CEO, and many believe it is their most important job (Larcker et al., 2014). The board looks for a CEO who will act in a manner that maximises firm performance (Beatty and Zajac, 1987). They seek to understand the CEO candidate's character and skills and to match them with the requirements of the role. However, a knowledge gap exists because the board cannot be confident about how a new CEO will perform in the role.

An airline board is aware of the unwritten rule in aviation that “safety first”. This typically applies to operational safety, but given the slim profit margins of airlines, it should also apply to financial security. Since business uncertainty is the most pronounced at the highest levels of management, one way to reduce risk and enhance safety is to opt for an insider (Kanter, 1977). According to a study of the world's largest 2500 companies, from 2012 to 2015, only 22% of new CEOs were outsiders (Karlsson et al., 2016).

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In this study, we look at a single industry and the most prominent players within that industry. This study tests the hypothesis that airline CEOs with a finance background are more common than CEOs from other functional backgrounds due to the financial complexity and slim profit margins typical of airlines. No empirical study was found on preferences for or trends in CEO functional backgrounds in the airline industry. Hence, this can be considered the first study of its kind. To fill this research gap, the profiles of current CEOs at the world's largest 100 airlines measured by passenger traffic, or Revenue Passenger Kilometres (RPK), were analysed. Airlines include private, publicly listed and government-owned entities. The common factor is they are all large enough to warrant an independent board which should reduce any external or political influence on CEO selection. Other factors recorded included: whether the CEOs were internal or external hires; whether they had any previous aviation experience before becoming an airline CEO; and their tenure and educational background. While part of the contribution of this paper is to present a broad set of data, a detailed analysis of all data is beyond the scope of this paper.

This paper considers the process of an airline selecting their next CEO by focusing on three themes: functional background, succession planning, and insider versus outsider. Other factors, including business models, consolidation, competition and regulation, could all influence the decision of the choice of a CEO; however, these factors are beyond the scope of this study.

Rather than ponder what skills and background make an ideal airline CEO, or recommend any specific skill set or background, this study shows the choices that the boards of the largest 100 global airlines have made in selecting their leaders. Airlines can consider these findings and incorporate them into their succession planning to improve bench strength and build a pipeline of strong internal candidates for the CEO position. The board can also consider the findings when assessing external CEO candidates. The aim of this paper is two-fold: (1) to test whether finance CEOs are more common leaders of large airlines; and (2) to narrow the knowledge gap for airlines preparing for CEO succession by using their peers for guidance.

2. Literature review

2.1. Functional background

A seminal study published by Dearborn and Simon (1958) found evidence to suggest that executives display selective perceptions of company problems depending on their functional background. The most common functional backgrounds of CEOs vary over time with the firm's strategy, changes in the external environment, and fluctuating managerial fashions (Fligstein, 1987; Ocasio and Kim, 1999). Fligstein's analysis of the 100 largest US firms between 1919 and 1979 showed that entrepreneur CEOs and manufacturing CEOs dominated up to 1929 before steadily declining. Sales & marketing CEOs rose from 1929 until 1959 without actually forming the largest group. Finance CEOs were then in favour, and their prevalence increased steadily from 1949 to 1979 when they formed the single largest group (Fligstein, 1987).

Further research by Ocasio and Kim (1999) showed that from 1981 to 1992, the finance trend was reversed, with the rise of the operations CEO. This research was updated by Koyunco et al. (2010), who found that the preference for operations CEOs continued from 1992 to 2005. Ocasio and Kim (1999) also found that while insider selection of CEOs has become formalised in some organisations, the choice of any particular functional background is not a formal part of the rules for CEO selection in most firms.

Surprisingly, no studies focusing on airlines could be found. Most research examined the largest publicly listed US firms by market capitalisation (Elsaid et al., 2016; Koyunco et al., 2010) or focused on manufacturing firms (Ocasio and Kim, 1999; Datta and Rajagopalan, 1998; Zhang and Rajagopalan, 2004).

Research in the United Kingdom (UK), which looked at the Financial Times Stock Exchange 100 Index (FTSE 100), considering the 100 largest firms by market capitalisation, showed that 55% of firms were led by CEOs with a finance background, with 23% of CEOs being qualified Chartered Accountants (Wadlow, 2016). A study by Elsaid et al. (2016) identified that organisations with low profitability are more likely to hire a CEO with a finance background, a category that most listed airlines would fall into (Elsaid et al., 2016). This fact indicates support for the original hypothesis made in this paper.

As with insider and outsider appointments, the results are inconclusive regarding whether firms should consider the functional background in their CEO selection criteria. While Koyunco et al. (2010) found that CEO functional background is not a strong predictor of firm performance, several authors have suggested that CEO functional background does provide a salient basis for selection (Useem and Karabel, 1986; Pfeffer, 1990).

An airline CEO needs a comprehensive range of skills, and it is difficult to identify which are the most important (CAPA, 2014). While an airline board may or may not agree that hiring a new CEO with a specific functional background is preferable, it is hoped that this paper will stimulate debate about succession processes, enabling comparisons with the choices that other airlines have made regarding their CEO selection.

2.2. Succession planning

As the demand for leadership talent continues to exceed supply, a vital tool for boards is succession planning. It is a hallmark of successful companies, and when worked on continually, it helps sustain competitive advantage (Charan et al., 2011). The value and importance of succession planning have also been recognised by regulators. In October 2009, the United States (US) Securities & Exchange Commission (SEC, 2009) introduced a policy change that required companies to disclose their CEO succession process to shareholders. Before October 2009, companies could ignore requests from shareholders to disclose how they planned to deal with leadership transitions. A 2007 study of 1380 large US companies showed that 60% of firms had no formal CEO succession plan in place (Bower, 2007).

2.3. Insider versus outsider

A study published in 2016 showed that from 2012 to 2015, 22% of new CEOs were outsiders, up from 14% in the period from 2004 to 2007, indicating a trend amongst the world's largest organisations for hiring outsider CEOs (Karlsson et al., 2016). The same study also revealed significant regional variations; between 2012 and 2015, companies with headquarters in Canada and the US hired outsider CEOs only 18% of the time, while companies in Western Europe hired outsiders in 30% of successions. Australia and Japan were at the opposing ends of the spectrum, with Australia hiring 40 per cent outsiders and Japan just 4% (Karlsson et al., 2016).

The topic of insider versus outsider CEO succession has been discussed widely, yet there are inconsistent findings regarding when it is beneficial to hire one or the other and the impact on organisations and post-succession firm performance (Karaevli, 2007). A 1990 study on CEO selection used agency theory to consider the insider versus outsider question from an adverse selection perspective and the board's ability to distinguish the characteristics of CEO candidates (Zajac, 1990). It showed that boards are more likely to understand the characteristics of an inside CEO candidate and have a relative informational disadvantage when considering outsider CEO candidates.

There are mixed views on what conditions and factor lead to outsider selection: (1) the adaptive view, whereby organisations change in response to environmental challenges; (2) the inertial view, which argues that the selection process cannot adapt because of the broad range of individuals involved with vested interests; (3) and the contingency view, which believes that socio-political influences moderate the connection between performance and the selection of an outsider (Cannella and Lubatkin, 1993). Research has shown that poor organisational performance creates conditions for selecting an outsider CEO (Boeker and Goodstein, 1993). External CEOs are also chosen when performance has been poor. The perception is that by lacking existing internal relationships, external CEOs might be able to implement the required changes in the organisation (Furtado and Karan, 1990). However, another perspective on this topic suggests that insiders are better able to influence the organisation by using existing relationships to effect change (Zajac, 1990). Additionally, research has shown that rapid organisational change can generate uncertainty and instability (Helmich and Brown, 1972). It has also been shown that it is challenging to rigorously link CEO succession to overall organisational performance (Finkelstein et al., 2009). This could help explain why the results explaining outsider selection and post-succession firm performance concerning the impact of insiders versus outsiders have been inconclusive.

Regardless of whether a board ultimately chooses an insider or an outsider, having a succession plan reduces risk and ensures that the board has a choice of capable and suitably experienced CEO candidates.

This paper does not attempt to assess the impact of the transfer of authority on firm performance, but it does lay the groundwork for this to be studied in the context of large airlines. This paper is of more of a benchmarking nature; an exploratory study aiming to understand and compare the background and skillset preferred by airline boards when selecting their CEO.

3. Methodology

This study used a mixed-method research approach in a two-stage process, combining both secondary and primary data. According to Tashakkori and Teddlie (2010), "the mixed approach closely parallels regular human problem-solving in a way that neither qualitative nor quantitative methods alone can do" (p. 273).

Stage one involved the collection of secondary data. A list was created with detailed information on the CEOs of the world's largest 100 airlines, and the data were analysed (see Appendix 1). Stage two used the results of the analyses to form questions to generate the primary data. As observed by Zajac (1990), the topics of CEO selection and succession can benefit from primary data, as empirical research on these topics has relied heavily on archival data, with few attempts to collect or analyse primary data provided by the individuals involved. We conducted this primary research to elucidate the fairly opaque process of CEO selection and succession.

Stage one gave us a picture of what had happened, i.e., who had been selected as CEO. Stage two gave us an indication of why it had happened.

3.1. Stage 1: secondary data

The list of the top 100 airlines by RPK data was obtained from the World Airline Rankings 2016, published by FlightGlobal (2016). The FlightGlobal list from which the data were drawn separates airlines from their group partners; the CEO of the individual airline is listed rather than the group CEO.

Airline information collected included the RPK, load factor, geographic region and the country where the airline was based. CEO biographical information included nationality, gender, tenure, age at the appointment as CEO, insider or outsider appointment, immediate previous role, education, functional background, and whether the individual had prior aviation experience before being appointed as CEO of the airline.

The functional background of the CEO was defined as the job function that the individual held for the greatest number of years before becoming a CEO. If there was no apparent functional background, the CEO was classified as "no dominance", a classification similar to that adopted by Koyunco et al. (2010). Nine functional backgrounds were identified in alphabetical order: consulting, engineering, entrepreneur, finance, human resources, law, 'no dominance', operations, and sales & marketing.

In regard to the age of becoming a CEO, the year was recorded, but the month of birth was not available for all CEOs. Therefore, there was a small degree of estimation for age.

Various publicly available sources were used to collect the data. These sources included company websites, press releases, LinkedIn profiles, Bloomberg, and newspaper articles from credible news sources. The data were collected from January to July 2017. Of the original 100 largest airlines, three CEOs were excluded due to insufficient publicly available data, three were in an "Acting CEO" role, and one CEO resigned during the data collection period when his airline went into administration. Therefore, the final sample studied a total of 93 airline CEOs who held the CEO position, or an equivalent role, as of July 1, 2017.

3.2. Stage 2: primary data

Rather than relying purely on secondary data, we collected primary, perceptual data directly from 12 individuals consisting of CEOs, NED executives and global airline consultants, all of them with experience in the top 100 airlines. This approach is consistent with that of Zajac (1990) and Kerr and Bettis (1987), who had recognised the value of collecting and analysing primary data directly from key informants. The sample included three current board members, one ex-board member who had served on more than one airline board across more than one geographic region (all airlines in the top 100), four current CEOs, two executives (one from human resources and one from operations) and two global aviation consultants. Primary data were collected through semi-structured interviews and emailed responses from the participants, and all comments were anonymous. We first shared the findings that emerged from the analyses of the secondary data with our 12 interviewees. Next, they were asked for their views on these findings, with questions structured around our three themes.

Interviewees were asked the following four questions:

1. How would you explain the preference for a CEO with a finance background amongst the larger airlines, as indicated by the data? (functional background)
2. Do you have a preference for an insider CEO (promoted from within) or

Table 1
Contributors to primary research.

Contributor	Description of contributor's role	Data source
NED1	Current Non-Executive Director, top 100 airline	Notes from phone interview
NED2	Current Non-Executive Director, top 100 airline	Notes from phone interview
NED3	Ex Non-Executive Director, top 100 airlines (served on more than one airline board)	Emailed response
NED4	Current Non-Executive Director, top 100 airline	Emailed response
CEO1	Current CEO, top 100 airline	Notes from phone interview
CEO2	Current CEO, top 100 airline	Emailed response
CEO3	Current CEO, top 100 airline	Notes from phone interview
CEO4	Current CEO, top 100 airline	Emailed response
EXEC1	Ex-Executive (Operations), top 100 airline	Emailed response
EXEC2	Current Executive (Human Resources), top 100 airline	Emailed response
CONS1	Airline Consultant, global experience	Emailed response
CONS2	Airline Consultant, global experience	Emailed response

Key for Contributor abbreviation: NED = Non-Executive Director; CEO = Chief Executive Officer; EXEC = Executive; CONS = Consultant.

Table 2
Functional background of CEOs for top global airlines by RPK.

Top 10 airlines			Top 20 airlines			Top 30 airlines		
Background	Sample	Ratio	Background	Sample	Ratio	Background	Sample	Ratio
Finance	5	50%	Finance	6	30%	Finance	7	23%
Consulting	1	10%	No dominance	4	20%	Operations	7	23%
Engineering	1	10%	Operations	3	15%	No dominance	5	17%
HR	1	10%	Engineering	2	10%	Sales & mktg	4	13%
No dominance	1	10%	Sales & mktg	2	10%	Engineering	3	10%
Operations	1	10%	Consulting	1	5%	Consulting	1	3%
Sales & mktg	–	–	HR	1	5%	HR	1	3%
Entrepreneur	–	–	Law	1	5%	Law	1	3%
Law	–	–	Entrepreneur	–	–	Entrepreneur	–	–

an outsider CEO (hired from the outside)? (insider vs outsider, succession planning)
3. What is your view on hiring a CEO with no previous airline experience? (insider vs outsider, succession planning)
4. What percentage of your time would you estimate that you annually spend on succession planning? Would you like to increase or decrease this? (succession planning).

We aimed to capture the views of individuals currently running airlines, NEDs whose job it is to select the CEO, and consultants who have had exposure to a broad range of airline boards and management. Interviews were conducted in August 2017. Table 1 provides a summary of the roles of the interviewees and how the data were collected.

4. Results

4.1. Profiling airline CEOs

The hypothesis stated that airline CEOs with a finance background are more common than CEOs with other functional backgrounds, and the results show partial support for the hypothesis (see Table 2). This trend is the case for the top 10 and the 20 largest airlines. When expanded to the top 30, finance and operations share the top spot, with seven CEOs having either a finance or an operations background.

In support of the proposed hypothesis, Table 2 indicates that the higher the RPK, the more likely it is that a finance CEO leads the company. Table 2 also shows that there is no representation from either the entrepreneur or 'sales & marketing' backgrounds in the top ten airlines.

There is also no representation of entrepreneur CEOs in the top 50. The first one appears at #62—Lucio Tan, the CEO of Philippine Airlines. It could be argued that Bjorn Kjos, the CEO of Norwegian Air (#34 in the top 100 table), should be categorised as having an entrepreneur functional background. However, before becoming the CEO of Norwegian, he spent 19 years as a lawyer and only nine years as an entrepreneur. Therefore, by the functional background definition, Kjos was considered a law CEO.

When examining the top 100 airlines, overall, operations CEOs are the most common, with 22 out of 93 CEOs, i.e., almost one quarter. The four main functional backgrounds are operations (24%, 22 CEOs), 'no dominance' (20%, 19 CEOs), finance (17%, 16 CEOs), and sales & marketing (16%, 15 CEOs). If we add up the RPK for each background, then finance CEOs dominate, being responsible for 33% of the total RPK, reflecting the previous explanation that larger airlines have finance CEOs at their helm. Of the four main backgrounds, airlines run by finance CEOs have the highest average load factor at 82.2%. It is interesting to note that airlines run by consulting CEOs have the highest average load factor overall at 86.6%, although this is only a small sample of four airlines (Table 3).

The country with the most airlines in the top 100 is the United States (US), with 13. Finance is the most common CEO background with 6. Table 4 shows that of the three largest regions, North America has by far the fewest airlines, but the largest average RPK, a reflection of the fact that it is the most mature aviation market and that since de-regulation in 1978 it has experienced significant consolidation, resulting in a smaller number of large airlines compared to Europe and the Asia Pacific. These three regions with the largest RPK all appear to favour a different CEO background; Asia-Pacific prefers 'no dominance', Europe prefers 'operations', and North America prefers 'finance'.

Regarding insiders or outsiders, the airlines demonstrate either outstanding succession planning practices or merely a reluctance to hire from outside, with 72% of CEOs being insiders, i.e., individuals promoted from within the airline. Concerning previous aviation experience, airlines appear to value industry experience, with only 15 of the 93 CEOs (16%) assuming their role with no previous airline experience. Further, if the four entrepreneurs who are the founders or acquirers of the airlines that they lead are excluded, the figure shrinks to 11 of 89 (12%).

Further analysis reveals that the single most common background of CEOs hired with no aviation experience is in consumer goods. Examples include Paulo Kakinoff from Audi Brazil, who leads GOL; Tassapon Bijleveld, from Warner Music, who leads Thai AirAsia; and Mehmet Nane, from the supermarket chain Carrefour, who leads Pegasus Airlines. Several other CEOs were hired into airline executive roles with

Table 3
Functional background of top 100 global airlines by RPK.

Functional background	Number of CEOs	Percentage (n = 93)	Total RPK (million)	Percentage (total = 5,607,588)	Average load factor (%)
Operations	22	24%	1,124,362	20.05%	80.8
No dominance	19	20%	897,767	16.01%	78.0
Finance	16	17%	1,831,652	32.66%	82.2
Sales & mktg	15	16%	664,006	11.84%	81.7
Entrepreneur	9	10%	177,200	3.16%	82.0
Consulting	4	4%	217,155	3.87%	86.6
Engineering	4	4%	365,060	6.51%	81.5
Law	3	3%	176,637	3.15%	84.7
HR	1	1%	153,749	2.74%	81.5

Table 4
Regional snapshot of top 100 global airlines, for 2016.

Region	Average RPK (m)	No. of airlines	Total RPK (m)	New CEOs (n = 22)	Most common CEO background
North America	102,560	16	1,640,598	5	Finance (6)
Middle East	78,839	7	551,875	1	Sales & marketing (3)
Europe	54,576	28	1,528,114	7	Operations (8)
Asia-Pacific	48,603	37	1,798,294	6	No dominance (8)
Latin America	29,185	9	262,661	2	Sales & marketing (3) Entrepreneur (3)
Africa	21,371	3	64,112	1	No dominance (2)

Table 5
Background of incoming CEOs in 2016 (n = 22).

Functional background	Number of CEOs (of 22)	Ratio (%)	Insider	Outsider	No prior aviation experience
No dominance	6	27	4	2	1
Operations	5	23	4	1	
Finance	4	18	3	1	
Sales & marketing	3	14	2	1	1
Consulting	2	9	2	–	–
Engineering	2	9	1	1	–
Law	–	–	–	–	–
HR	–	–	–	–	–
Entrepreneur	–	–	–	–	–
Total	**22**	**100**	**16**	**6**	**2**

no prior aviation experience and then promoted to CEO, the most common background again being consumer goods. One example is Christopher Luxon, CEO of Air New Zealand: he spent 18 years working around the world with Unilever.

Aviation is still a very male-oriented industry, with only three female CEOs in the top 100 airlines. As regards tenure, the longest-serving CEO, Jean-Marc Eustache, has been in his role since he co-founded Air Transat in 1987. The average tenure is 6.5 years. Measured by age at the appointment, the average age of CEOs is 49, the oldest being 63 and the youngest 29. Airline CEOs are well educated (81 have a bachelor's degree, 24 a postgraduate qualification and two have a PhD); the two most common are engineering-based degrees with 24 CEOs, followed by economics-based degrees with 17 CEOs.

4.2. CEO succession events

An annual report from PWC on CEO succession at the world's largest 2500 public companies (not industry-specific) showed that CEO turnover stood at 14.9% in 2016, down from a record high of 16.6% in 2015 (Karlsson et al., 2017). Table 5 shows that for the world's largest 100 airlines, CEO turnover stood at 24% in 2016 (n = 22), significantly higher than PWC's figure for the same year, and higher than the peak in 2015. This number equates to almost a quarter of the world's largest airlines, all searching for a new leader within the same 12-month period. Of the 22 new CEOs, 16 were insiders (73%), and six were outsiders (27%), consistent with our sample of all current CEOs (72% and 28%). Two (9%) of these new CEOs had no prior aviation experience, less than the overall ratio of 16%.

In 2016, the functional background of incoming CEOs was very similar to the overall ranking. The two main differences were that the top two functional backgrounds swapped position with 'no dominance' being above operations. Three backgrounds did not feature at all in the 22 changes in 2016: entrepreneur, HR (human resources), and law.

4.3. Nationality

The most common nationality, by just one, is American (14%, 13 CEOs), followed by Chinese (including Taiwanese, 13%, 12 CEOs). However, three of the seven airlines excluded from the sample due to lack of data are Chinese. Therefore, if full information were available for all 100 airlines, then China would probably top the list with fifteen CEOs. The remaining nationalities are German (7.5%, seven CEOs), then British (5%, five CEOs), followed by Brazilian (including one dual citizenship), Canadian, Irish (including one dual nationality) and Spanish, each with four CEOs.

When examining the number of foreign CEOs, airlines are still somewhat patriotic, with only 19 (20%) airlines selecting a non-native leader. The United Arab Emirates (UAE) and the UK are the most welcoming of foreign CEOs. All three of UAE's airlines in the top 100 are led by a non-native CEO (Bahraini, Swiss, and British), while three of the UK's five airlines in the top 100 have a foreign leader (German, American, and Spanish).

4.4. Interviews and email responses

As highlighted by Zajac (1990), a significant amount of previous research on CEO succession has mainly relied on archival data. We felt it was important to collect and analyse primary data from key informants to help us gain a better understanding of what the secondary data were showing us. The responses to the four questions offered real insights and perspectives on the themes of this research—these are views from the boardrooms of the airlines in our study. More questions and longer interviews would no doubt deepen and expand our insights. However, all interviewees were generous with their time, and we are very grateful for their help. The findings from our primary data are summarised in Table 6.

5. Discussion

While addressing the first aim of this paper, this study identified the most common functional background for CEOs at the world's largest airlines. Partial support was found for the hypothesis that finance CEOs are more common than other backgrounds, specifically at the very largest airlines, with 50 per cent finance CEOs at the top 10 airlines. Finance CEOs are most common up until the top 29 firms, with seven finance CEOs and six operations CEOs. The 30th ranked airline has an operations CEO, making the top 30 a tie between finance CEOs and operations CEOs, each with seven. When considering the top 100 airlines, operations CEOs are the most common, accounting for 22 (or 24%) of the sample of 93 CEOs. This study supported the hypothesis that finance CEOs are more common due to the financial complexity and slim profit margins of airlines. It showed that the larger the airline, the more likely it is to have a finance CEO leading the company. It is possible to explain this pattern, as larger airlines are more complex organisations with a range of transactions that require strong financial skills.

The results of this study, showing operations CEOs as the most common functional background, are consistent with the research of Ocasio and Kim (1999), later updated by Koyunco et al. (2010), which showed a preference for operations CEOs. The studies by Fligstein (1987), Ocasio and Kim (1999) and Koyunco et al. (2010) looked at how CEO functional backgrounds have varied over time. This study is a snapshot in time; as annual updates are completed, trends in functional backgrounds will emerge. Ocasio and Kim (1999) found that the choice of a particular functional background is not a formal part of the rules for CEO selection at most firms. Although this was not tested, this study demonstrated that there is a strong preference of airline boards for individuals with airline experience when selecting a new CEO.

To satisfy the second aim of narrowing the knowledge gap for airlines preparing for CEO succession, our study focused on three themes: functional background, succession planning and insider versus outsider. The study presents the choices that company boards have made in selecting the leaders of the largest 100 airlines. The inquiry conducted in this research indicates that succession planning has strong support from NEDs and CEOs and that it is working well, with 72% of CEOs being insiders. This recognition by contributors to the value of succession planning is consistent with other studies (Charan et al., 2011). The second most common functional background was the 'no dominance' CEO with 19 (20%). This could be an indication of effective succession planning practices whereby airlines are giving potential CEOs experience across a range of functions and areas of their business. If a large number of airlines are simultaneously searching for a new CEO, succession planning will become more critical, and airline boards may also have to give more consideration to outsiders. The data show that in 2016, 24% of the top 100 airlines changed their CEO. This indicates a strong demand for sound senior executives amongst the largest firms. Airlines and their boards will have to work hard to retain their top talent while also coming up with strategies to attract the best external candidates.

With insider CEOs being so dominant, it was surprising to learn that the sample of interviewees was weighted only slightly in favour of an insider over an outsider. Seven interviewees stated that they preferred an insider,

Table 6
Summary of themes and issues with supporting quotes from the interviews.

Themes	Issues	Summary/quotes
Preference for CEOs with a finance background	Complexity of airlines and their financial transactions; foreign exchange, leasing arrangements, international oil prices, mergers.	***NED3*** "*Given the significant capital expenditure involved in an airline's operation, it is critical to have a sophisticated understanding of the financial implications*" ***CONS2*** "*Financial knowledge is much more likely to lead to careful management of an airline…Understanding the need for cost efficiency and importance of cash flow are key*." ***EXEC2*** "*The aviation industry is highly competitive and inherently volatile and airlines have wafer thin margins, financial and capital management become critical issues to manage to ensure an airline can survive and thrive through a cycle*". ***NED1*** "*There have been a lot of mergers and re-structuring, and US airlines going through Chapter 11 bankruptcy. During times like these a CEO with a finance background is very useful*". ***CEO2*** "*There are different eras in business, CEOs with a finance background focus on fighting off economic crises, whereas CEOs with a marketing background focus on expansion*". ***CEO3*** "*A commoditised market, which many markets are becoming, is cost driven and that leads to having a CFO-type as the CEO*"
Insiders versus outsiders	The majority of contributors favoured an insider: Seven stated preference for an insider, if they existed. Five stated it depends on what is required at the time by the airline.	All NEDs preferred an insider (NEDs proved to be conservative). While those who stated that it depends on what is required, consisted of CEOs, consultants, and one executive, but no NEDs. ***NED1*** "*Always prefer insiders…an insider is less risky, you know what you're getting. An insider is familiar with the organisation and its subtleties*". ***NED2*** "*It's better to promote from within…bringing in an outsider as CEO you may lose your top management who missed out on the job*". ***EXEC2*** "*An airline is an intrinsically complex business with many interdependencies across functions*". ***CEO4*** "*From within, always. But it is always good to test the market*" NEDs select the CEO and their clear preference for an insider is evident in the secondary data with 72% of current CEOs being insiders. Most internal candidates won't have CEO experience, this implies that NEDs value insider knowledge over an outsider with CEO experience. ***NED3*** "*An insider is preferable to ensure a good culture is maintained…However if change to the culture is desirable then an outsider can be the right choice*". ***NED4*** "*Always a preference for an insider CEO, unless a company needed a major change in direction/culture/approach, then an outsider may be attractive*". Those who stated it depends on what is required, highlighted the value in bringing in new ideas and perspectives, and see airlines as being conducive to transferable skills: ***CEO1*** "*Having an outside-in perspective is very important…an outsider can bring a global perspective…depends what is needed at that time*". ***CEO2*** "*I am new to airlines, the biggest reason I was considered worthy of this role is my finance and retail experience. I consider myself a 'sector independent manager', and I believe it gives me a richer perspective*". When there are problems to be fixed, the preferred strategy is to bring in an outsider rather than promote from within: ***EXEC1*** "*Times to promote from within and times to promote from outside…is the culture so broken that promoting from within is just continuing the same issues. In this case bringing in an outsider CEO is required*". ***CONS1*** "*An airline with significant problems; an external candidate is the preference. An airline which is performing really well; an internal candidate is the preference if one is ready*".
Previous airline experience	No-one ruled out the possibility of hiring a CEO with no previous airline experience, but the consensus was that it would only be done if a significant change was required.	***CEO1*** "*Depends on what is needed at the time…most important thing is to run the airline as a business. Airlines often blame poor performance on uncontrollable events, this is less common in other industries. Airlines can learn a lot from other industries, especially retail*". ***EXEC1*** "*Previous airline experience is less important if you have a strong, well-rounded and capable executive team, they can mitigate the lack of airline knowledge for a new CEO*". ***CONS2*** "*Industry knowledge is valuable but so too are outside views and experience and challenge to orthodoxy*". Again, NEDs were more risk averse than the executives and consultants, and it is the NEDs who make the CEO hiring decision. However, there may not be enough CEOs with airline experience to satisfy demand. As discussed earlier, CEO turnover was relatively high in 2016 at 24%, almost one quarter of the largest airlines all searching for a CEO at the same time. If there is a shortage of candidates, then boards will have to re-consider their preference for airline experience. (If airlines are to hire more non-airline CEOs, boards will probably have to change their approach first.) ***NED4*** "*It is a very big risk and one that would not be my preferred approach*". ***NED1*** "*They would need to be an outstanding candidate with relevant experience…Air New Zealand brought in Ralph Norris from banking, he brought a strong customer focus which was required at the time*". Of the 15 CEOs with no previous airline experience, the most common background is retail and consumer goods, five CEOs have this background.
Succession planning	All recognised the importance of succession planning. Contributors talked about spending time on succession planning in two ways; formal and informal.	Succession planning: ***CEO2*** "*It is crucial, it leaves the organisation well prepared for contingencies*." ***NED1*** "*It is discussed in some context at every board meeting…at dinners before board meetings…it's a constant theme for the board. We have a "plan A" for if the CEO is hit by a*

Table 6 (*continued*)

Themes	Issues	Summary/quotes
		bus, and a "plan B" in case the CEO resigns or the board decides a change is needed. Internally we have a 'ready now' candidate and a 'ready in two to three years' candidate". For some it was difficult to quantify the time spent due to the combination of formal and informal discussion, figures varied from 2% to 20%. Contributors were happy with the amount of time spent on succession planning, no-one stated they needed to spend more time on it. ***CEO1*** "*We spend six to eight hours every five weeks on talent and people…airlines should invest in their people*". ***EXEC2*** "*Percentage of time is deceptive. Our CEO has a discussion with the Board on succession at every Board meeting. In addition, our CEO works on an on-going basis with me (the HR Director) to assess how executives are going and what succession moves are needed in the future*". Being prepared for opportunistic hires was recognised, and the scarcity of airline experience at senior levels: ***NED2*** "*The board also keeps an eye on who becomes available […] be ready to consider hiring an outsider when they're available…important for the board to always be thinking about building bench strength*." ***NED3*** "*The gene pool in aviation is very narrow hence the need to plan for key retirements*" Some airlines were recognised as having strong succession planning practices: ***EXEC1*** "*Cathay Pacific and Singapore Airlines actively move their management and executive team around the business giving them experience in different disciplines. They promote from within because they feel their people are well-rounded, highly experienced and understand the organisation's philosophy*" (this contributor does not work for, or serve on the board of Cathay Pacific or Singapore Airlines).

with three of them adding that they would seek an outsider if change were required. Five interviewees stated that it depends on what is required. However, a closer examination of the profile of the respondents revealed that all four NEDs preferred an insider, and ultimately, NEDs are the stakeholders responsible for selecting the company's leader. Most internal candidates will not have CEO experience; this implies that NEDs value insider knowledge over an outsider with CEO experience.

To back up their preference, it is imperative that boards have a well-functioning, robust succession planning system. A deep pool of potential CEO talent will also attract the attention of rivals, making retention a vital consideration. Larger airlines and airline groups that can offer CEO roles in subsidiaries to ambitious executives are the best placed. Examples include International Airlines Group (IAG), American Airlines, Lufthansa and Qantas. In late 2017, Gareth Evans became CEO of the Qantas subsidiary Jetstar, a role that Alan Joyce held from 2003 to 2008 before becoming Qantas CEO, indicating that Evans could be in line to eventually replace Joyce.

NEDs were fairly conservative about considering CEOs with no airline experience. Most contributors considered it risky, although some mentioned the benefits. In July 2010, easyJet (ranked 21 amongst the top 100 airlines) hired Carolyn McCall as a new CEO, and she had a background in media sales and no airline experience. In her seven years as CEO, the easyJet share price went from £4 to £14. In July 2017, it was announced that Ms McCall would leave easyJet to become the CEO of ITV, the UK's biggest free-to-air commercial broadcaster. The easyJet board saw something in Ms McCall at the time, which was not evident in other candidates with airline experience, and their leap of faith was rewarded. This success and the apparent shortage of airline talent could lead more airlines to follow easyJet's example.

One functional background that may emerge in the next few years is the digital CEO. The growing importance of digital skills is being recognised by forward-thinking airlines. In 2016, Air New Zealand hired an ex-Google executive into a newly created role as Chief Digital Officer, reporting directly to the CEO, Christopher Luxon. The growing importance of digital skills may lead to other airlines following suit, causing a change in the traditional management structure of CEO direct reports. British Airways CEO, Alex Cruz, believes strongly in the importance of applying digital skills: for his Master of Science degree, in 1990, he wrote a thesis on the subject (IATA, 2017). Cruz seems well-positioned to become the next CEO of IAG. One of the leaders in recognising the importance of digital skills is the Columbian airline Avianca, ranked 44 amongst the top 100 airlines. In 2016, Avianca hired Hernan Rincon as their new CEO. He was previously CEO of Microsoft Latin America and had no previous airline experience.

It is likely that over the next few years, Europe will follow the more mature US market and experience significant airline consolidation. As this study has shown, the larger the airline, the more likely it is to be led by a finance CEO, meaning that we should see finance CEOs become more common in Europe. Consolidation will probably take longer in the less mature, third large region of Asia Pacific.

6. Conclusion

This paper contributes to management literature by creating a reference point for airline CEOs: a benchmark that reveals the selection decisions made by the boards of the world's largest 100 airlines. These are the CEO boards that have chosen to lead their airlines, and selecting the CEO is probably the board's most important job (Larcker et al., 2014). This is the first study to capture and compare preferences for CEO backgrounds in the airline industry.

Finance CEOs lead larger, more complex airlines for a reason: they are considered safe leaders, especially during turbulent economic cycles. More profitable periods could lead to business models being tweaked, with over-expansion and airlines focusing less on cost control and more on the potential upside for shareholder value from risk-taking. This could, in turn, lead to hiring a riskier CEO than would otherwise be considered. Boards will need to keep a balanced and objective view of market changes and continue to carefully consider what is required for their airline when they hire their next CEO.

A board cannot be certain how a new CEO will perform in the role, and it is hoped that the findings and questions posed in this study will narrow this knowledge gap by offering useful and practical guidance for airlines and their boards to improve how they prepare for and select their next CEO.

Regarding its limitations, this study does not measure the performance of airlines, so its predictive power is quite low. Introducing an organisational performance metric, possibly return on invested capital (ROIC), profit margin or earnings growth, would add predictive power.

Further study could extend the sample to the top 200 airlines by RPK. This added depth would allow comparison of airlines of a similar size, type or region, and their varying CEO requirements.

While this study provides the first step towards a better understanding of leadership in the airline sector, it is only a snapshot of airline CEOs. With annual updates, including a measure of airline performance, it is hoped that this study will evolve into a useful longitudinal reference, helping to build a guiding profile of a successful airline CEO.

Airline	Country	RPK million	Load factor	CEO (* females) [Age at start]	Nationality	Start date	CEO tenure at July 1, 2017	Insider/ outsider	Previous role (** no prior aviation experience)	Qualifications undergrad	Qualifications postgrad	Background
American Airlines	USA	358,823	83.0	Doug Parker [51]	American	Dec-13	3 years, 7 months	Insider (merger)	CEO US Airways	BA Economics	MBA	Finance
Delta Air Lines	USA	337,264	84.9	Edward Bastian [58]	American	May-16	1 year, 2 months	Insider	President	B Business Administration	Certified Public Accountant (CPA)	Finance
United Airlines	USA	335,728	83.4	Oscar Munoz [57]	American	Sep-15	1 year, 10 months	Outsider	President & COO, CSX Corporation	B Business Administration	MBA	Finance
Emirates	UAE	255,176	76.5	Tim Clark - President & CEO [59]	British	Jan-08	9 years, 6 months	Insider	President	B Economics	Nil	Operations
Southwest	USA	189,057	83.6	Gary Kelly [49]	American	Jul-04	13 years, 0 months	Insider	EVP & CFO	B Accounting	CPA	Finance
Lufthansa	Germany	162,173	80.2	Carsten Spohr [43]	German	May-14	3 years, 2 months	Insider	CEO & Chair Lufthansa Cargo	B Industrial Engineering	Nil	No dominance
China Southern	China	153,749	81.5	Wan Geng Tan [41]	Chinese	Jan-06	11 years, 6 months	Outsider	Director General & Secretary of Chinese Communist Party, Committee of North-eastern Regional Civil Aviation Administration	B Regional Economics	M Economics	Human resources
China Eastern	China	146,291	80.5	Xulun Ma - Vice Chairman & President [45]	Chinese	Jan-11	6 years, 6 months	Insider	President and Deputy Party Secretary	B Economics	M Accounting, CPA	Finance
British Airways (IAG)	UK	142,016	81.5	Alex Cruz [49]	Spanish	Apr-16	1 year, 3 months	Insider	Chairman and CEO, Vueling Airlines	BSc Industrial Engineering	MSc Industrial Engineering	Consulting
Air France	France	141,207	84.1	Franck Terner [56]	French	Nov-16	0 years, 8 months	Insider	EVP Engineering & Maintenance Air France-KLM	B Engineering	Nil	Engineering
Ryanair	Ireland	130,588	92.9	Michael O'Leary [32]	Irish	Jan-94	23 years, 6 months	Insider	COO & Deputy CEO	B Business Studies	Accountant	Finance
Air China	China	124,805	79.8	Zhiyong Song [50]	Chinese	Jun-16	1 year, 1 month	Insider	Assistant to the President	B Aviation	Nil	Operations
Turkish Airlines	Turkey	119,372	77.9	Bilal Eksi [48]	Turkish	Oct-16	0 years, 9 months	Outsider	Director General Civil Aviation, Turkey	BSc Engineering	Nil	Engineering
Qatar Airways	Qatar	114,464	75.3	Akbar Al Baker [37]	Qatari	Jan-97	20 years, 6 months	Outsider	Civil Aviation Directorate of Qatar	B Economics & Commerce	Nil	No dominance
Cathay Pacific	Hong Kong	108,894	86.6	Rupert Hogg [55]	English	May-17	0 years, 2 months	Insider	COO	B degree	MA History	Sales & marketing
Air Canada	Canada	100,167	84.4	Calin Rovinescu [54]	Canadian	Apr-09	8 years, 3 months	Outsider	Co-founder & Principal, Genuity Capital Markets	B Law (LL. B)	M Law (LL. L)	Law
Singapore Airlines	Singapore	94,267	79.6	Choon Phong Goh [47]	Singaporean	Jan-11	6 years, 6 months	Insider	EVP Marketing & Regions	B Computer Science, B Management Science, B Cognitive Science	MSc Electrical Engineering, MSc Computer Science	No dominance
KLM	Netherlands	93,228	86.4	Pieter Elbers - President & CEO [44]	Dutch	Nov-14	2 years, 8 months	Insider	COO KLM	B Logistics Management	MBA	Operations
Etihad Airways	UAE	83,200	79.4	Peter Baumgartner [46]	Swiss	May-16	1 year, 2 months	Insider	Chief Commercial Officer	B Transportation Management	Nil	Sales & marketing
ANA	Japan	79,093	69.3	Shinya Katanozaka [59]	Japanese	Apr-15	2 years, 3 months	Insider	Senior EVP Human Resources Strategy & Corporate Planning	B Law	Nil	No dominance

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Airline	Country	RPK million	Load factor	CEO (* females) [Age at start]	Nationality	Start date	CEO tenure at July 1, 2017	Insider/ outsider	Previous role (** no prior aviation experience)	Qualifications undergrad	Qualifications postgrad	Background
easyJet	UK	77,619	92.6	Carolyn McCall* [49]	English	Jul-10	7 years, 0 months	Outsider	CEO Guardian Media Group**	BA History & Politics	M Politics	Sales & marketing
Qantas	Australia	75,479	78.7	Allan Joyce [40]	Irish/Australian	Nov-08	8 years, 8 months	Insider	CEO Jetstar	BSc Applied Science	MSc Management Science	Operations
Aeroflot	Russia	74,116	79.3	Vitaly Savelyev [55]	Uzbek	Jan-09	8 years, 6 months	outsider	First VP of Farm Credit Administration**	B Engineering	M Engineering & Economics. PhD Economics	Finance
Korean Air	South Korea	71,647	76.9	Yang Ho Cho [50]	Korean	Apr-99	18 years, 3 months	Insider	EVP & COO	B Industrial Engineering	MBA, PhD	No dominance
JetBlue Airways	USA	67,112	84.7	Robin Hayes [48]	English	Feb-15	2 years, 5 months	Insider	President	B Electronic Engineering	M Electronic Engineering	Operations
Hainan Airlines	China	66,348	88.2	Hao Ming Xie [40]	Chinese	Apr-14	3 years, 3 months	Insider	VP Deputy General Manager	B Engineering	Nil	Engineering
TAM Airlines	Brazil	60,690	82.2	Jerome Cadier [47]	Brazilian	May-17	0 years, 2 months	Insider	Senior VP Marketing	B Industrial Engineering	MBA	Sales & marketing
Thai Airways	Thailand	59,106	73.3	Acting CEO - Usanee Saengsingkaew* [unknown]	Thai	Feb-17	0 years, 5 months	Insider	Executive Vice President, Aviation Business	BBA	MBA	No dominance
Japan Airlines	Japan	58,041	74.5	Yoshiharu Ueki [60]	Japanese	Feb-12	5 years, 5 months	Insider	Senior Managing Executive Officer, Division Route Marketing	Unknown	Unknown	Operations
Saudia	Saudi Arabia	49,491	73.0	Jaan Albrecht [62]	Mexican & German	Jan-17	0 years, 6 months	Outsider	CEO SunExpress, Turkey	B Architecture	Nil	Operations
Alaska Air	USA	48,817	84.5	Bradley Tilden [51]	American	Jul-12	5 years, 0 months	Insider	President	BBA Accounting	MBA	Finance
Iberia (IAG)	Spain	48,564	81.1	Luis Gallego [44]	Spanish	Mar-13	4 years, 4 months	Insider	CEO, Iberia Express	B Aeronautical Engineering	Nil	Operations
Air Berlin	Germany	47,010	84.2	Thomas Winkelmann [58]	German	Feb-17	0 years, 5 months	Outsider	CEO Germanwings	B Linguistics & Ancient History	AMP, Harvard	No dominance
Norwegian	Norway	42,284	86.2	Bjorn Kjos [57]	Norwegian	Oct-02	14 years, 9 months	Insider	Co-founder of Norwegian	B Law	Nil	Law
Malaysia Airlines	Malaysia	40,369	71.5	Peter Bellew [51]	Irish	Jul-16	1 year, 0 months	Insider	COO	B Business	MA Economics	Operations
Asiana	South Korea	39,678	79.9	Soo Cheon Kim [58]	Korean	Jan-14	3 years, 6 months	Insider	CEO Air Busan (affiliate)	B Chinese Literature	Nil	Sales & marketing
Jet Airways	India	39,174	82.6	Acting CEO - Amit Agarwal [48]	Indian	Mar-16	1 year, 4 months	Insider	CFO	B Accounting	Chartered Accountant	Finance
Shenzhen Airlines	China	39,109	81.4	Zhiyong Chen – President [51]	Chinese	May-14	3 years, 2 months	Insider	VP, Air China	B Flight Technology	Nil	Operations
Gol Transportes Aéreos	Brazil	38,411	77.2	Paulo Kakinoff [37]	Brazilian	Jul-12	5 years, 0 months	Outsider	CEO, Audi Brazil**	BBA	M International Management	Sales & marketing
Air India	India	38,133	75.6	Ashwani Lohani (Chair & MD) [56]	Indian	Sep-15	1 year, 10 months	Outsider	MD & Commissioner Tourism, Government of Madhya Pradesh**	B Engineering, Mech, Elect, Metal, Elect & Telecoms	Chartered Mechanical Engineer	Engineering
Virgin Atlantic	UK	37,157	76.8	Craig Kreeger [53]	American	Feb-13	4 years, 5 months	Outsider	SVP of Customer Experience, American Airlines	BA Economics	MBA	Sales & marketing
China Airlines	Taiwan	37,079	78.9	Shih-Chien Hsieh (CEO & President) [unknown]	Taiwanese	Jun-16	1 year, 1 month	Insider	Chairman TACT Logistics (subsidiary of CAL)	B Degree	Nil	No dominance
Swiss International	Switzerland	35,992	83.4	Thomas Kluhr [53]	German	Feb-16	1 year, 5 months	Insider	Executive Board Member Hub Munich & Finance, Lufthansa	BBA	Nil	Operations
Avianca	Columbia	35,478	79.7	Hernan Rincon [52]	Colombian	Apr-16	1 year, 3 months	Outsider	CEO Latin America, Microsoft**	BA Maths, Computer Science	MSc Industrial Engineering, MBA	Sales & Marketing

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Airline	Country	RPK million	Load factor	CEO (* females) [Age at start]	Nationality	Start date	CEO tenure at July 1, 2017	Insider/ outsider	Previous role (** no prior aviation experience)	Qualifications undergrad	Qualifications postgrad	Background
Sichuan Airlines	China	35,391	86.5	Heiying Li (Chairman & General Manager) [unknown]	Chinese	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
EVA Air	Taiwan	35,283	80.8	Derek Chen (President & CEO) [unknown]	Taiwanese	Mar-16	1 year, 4 months	Insider	Chairman of UNI Air (subsidiary airline)	B Degree	Nil	No dominance
WestJet	Canada	34,635	80.0	Gregg Saretsky (President & CEO) [51]	Canadian	Apr-10	7 years, 3 months	Insider	VP Operations	BSc Microbiology & Biochemistry	MBA	Sales & marketing
Alitalia - in administration	Italy	34,397	77.4	Cramer Ball (ex-CEO) [48]	Australian	Mar-16	1 year, 2 months	Outsider	CEO, Jet Airways (Etihad alliance partner)	B Commerce	CPA	Finance
IndiGo	India	34,186	83.4	Aditya Ghosh (President) [33]	Indian	Aug-08	8 years, 11 months	Insider	General Counsel, Interglobe Enterprises (parent company of IndiGo)	B Law	Nil	Law
SAS Scandinavian	Sweden	33,780	76.3	Rickard Gustafson [47]	Swedish	Feb-11	6 years, 5 months	Outsider	Group CEO, Codan Insurance**	B Engineering	M Industrial Engineering & Management	Finance
Thomson Airways	UK	33,395	93.8	John Murphy [unknown]	English	Jun-14	3 years, 1 month	Insider	Head of Flight Operations & Safety,	Nil	Nil	Operations
Lion Air	Indonesia	33,000	88.2	Rudy Lumingkewas [unknown]	Indonesian	Mar-14	3 years, 4 months	Insider	GM Sales & Marketing	Unknown	Unknown	Sales & marketing
Virgin Australia	Australia	32,827	77.2	John Borghetti [54]	Australian	May-10	7 years, 2 months	Outsider	EGM Qantas	Nil	Executive Leadership, IMD	Sales & marketing
Garuda Indonesia	Indonesia	32,753	76.6	Pahala Mansury (President & CEO) [45]	Indonesian	Apr-17	0 years, 3 months	Outsider	CFO, Bank Mandiri**	B Accounting	MBA	Finance
Xiamen Airlines	China	32,520	75.7	Shanglun Che (President & CEO) [unknown]	Chinese	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Wizz Air	Hungary	30,786	88.2	József Vára [38] di	Hungarian	Sep-03	13 years, 10 months	Insider (co-founder)	CEO, Malév Hungarian Airlines	B Economics	M Economics, M Law	Sales & marketing
Jetstar	Australia	30,503	80.4	Jayne Hrdlicka* [50]	American	Jul-12	5 years, 0 months	Insider	Group Executive Strategy & Technology, Qantas	BA Maths & Economics	MBA	Consulting
AirAsia	Malaysia	30,006	80.2	Aireen Omar* [38]	Malaysian	Jul-12	5 years, 0 months	Insider	Regional Head of Corporate Finance, Treasury & Investor Relations	BSc Economics	MA Economics	Finance
Air New Zealand	New Zealand	29,934	84.1	Chris Luxon [43]	New Zealander	Jan-13	4 years, 6 months	Insider	Group GM International Airline	B Commerce	MBA	No dominance
TAP Portugal	Portugal	29,552	78.6	Fernando Pinto [51]	Brazilian	Oct-00	16 years, 9 months	Outsider	President & CEO, Varig	B Mechanical Engineering	Nil	No dominance
Spirit Airlines	USA	28,954	84.7	Robert Fornaro (President & CEO) [63]	American	Jan-16	1 year, 6 months	Outsider	President, Parkview Partners LLC (management consultants)	B Economics	M City & Regional Planning	Operations
Philippine Airlines	Philippines	28,379	68.3	Lucio Tan (CEO & Chairman) [61]	Filipino	Jan-95	22 years, 6 months	Insider (acquired)	Entrepreneur**	BSc Chemical Engineering	Nil	Entrepreneur
Vietnam Airlines	Vietnam	28,325	83.8	Duong Tri Thanh (President & CEO)	Vietnam	Jun-16	1 year, 1 month	Insider	Executive Vice President	B Degree	MSc Air Transport Management	No dominance

(*continued*)

Airline	Country	RPK million	Load factor	CEO (* females) [Age at start]	Nationality	Start date	CEO tenure at July 1, 2017	Insider/ outsider	Previous role (** no prior aviation experience)	Qualifications undergrad	Qualifications postgrad	Background
				[55]								
Condor	Germany	27,903	90.0	Ralf Teckentrup [46]	German	Jan-04	13 years, 6 months	Insider	Head of Board Network Management, Lufthansa (owner)	B Industrial Engineering	Nil	Operations
SkyWest Airlines	USA	27,314	83.1	Chip Childs [48]	American	Jan-16	1 year, 6 months	Insider	President & COO	B Economics	M Accounting	Finance
Copa Airlines	Panama	26,236	75.2	Pedro Heilbron [30]	Panamanian	Jan-88	29 years, 6 months	Outsider	Mota Duty Free (role unknown) **	BA Economics	MBA	No dominance
Aeromexico	Mexico	25,696	80.7	Andres Conesa [36]	Mexican	Dec-05	11 years, 7 months	Insider	Chairman, Consorcio Aeromexico S.A. de C.V.	BA Economics	Ph.D. in Economics	Finance
Finnair	Finland	25,592	80.4	Pekka Vauramo (CEO & President) [54]	Finnish	May-13	4 years, 2 months	Outsider	COO, Cargotec Corporation, Marine**	BSc	MSc Mining	No dominance
Ethiopian Airlines	Ethiopia	25,085	66.9	Tewolde GebreMariam [unknown]	Ethiopian	Jan-11	6 years, 6 months	Insider	COO	BA Economics	MBA	No dominance
Vueling Airlines	Spain	24,775	81.3	Javier Sanchez-Prieto (Chairman & CEO) [46]	Spanish	Apr-16	1 year, 3 months	Insider	CFO, Iberia (part of same IAG group)	B Aeronautical Engineering, BBA	Management Development Program, ESADE	Finance
Hawaiian Airlines	USA	23,270	81.6	Mark Dunkerley [41]	English	Jun-05	12 years, 1 month	Insider	President & COO	BSc Economics	MSc Air Transport Economics	Operations
Air Europa	Spain	22,502	84.1	Juan Jose Hidalgo [50]	Spanish	Jan-91	26 years, 6 months	Insider (acquired)	Entrepreneur**	Nil	Nil	Entrepreneur
Thomas Cook Airlines	UK	22,460	91.8	Christoph Debus [41]	German	Sep-12	4 years, 10 months	Outsider	COO Air Berlin	B Mechanical Engineering, BBA	Nil	Consulting
Spring Airlines	China	22,176	92.8	Stephen Wang Chairman & CEO) [46]	Chinese	Apr-16	1 year, 3 months	Insider	Senior Vice President	B Electrical Engineering	MSc Economics, MBA	Consulting
Frontier Airlines	USA	21,822	86.5	Barry Biffle (President & CEO) [45]	American	Mar-16	1 year, 4 months	Insider	President	BA	Nil	Sales & marketing
Shandong Airlines	China	21,413	75.6	Liubin Miao (General Manager & Director) [43]	Chinese	Mar-14	3 years, 4 months	Insider	Deputy General Manager & Safety Director	Unknown	Unknown	Operations
Pegasus	Turkey	21,223	77.4	Mehmet Nane (GM & CEO) [50]	Turkish	Mar-16	1 year, 4 months	Outsider	GM & Head of Executive Committee, Carrefour**	B International Relations	M International Banking & Finance, AMP Harvard	No dominance
South African Airways	South Africa	21,170	74.1	Acting CEO - Musa Zwane [52]	South African	Nov-15	1 year, 8 months	Insider	Chief Executive Officer of SAA Technical	Unknown	MSc Industrial Chemistry, MBA	No dominance
LAN Airlines	Chile	20,571	84.9	Enrique Cueto (Group CEO) [53]	Chilean	Jun-12	5 years, 1 month	Insider (merger)	CEO of LAN Airlines.	B Commercial Engineer	Nil	Entrepreneur
ExpressJet Airlines	USA	20,411	80.7	Terry Vais (COO) [48]	American	Sep-15	1 year, 10 months	Insider	VP Operations, Planning & Support	Nil	Nil	Operations
Cebu Pacific Air	Philippines	19,872	79.8	Lance Gokongwei [29]	Filipino	Jan-97	20 years, 6 months	Insider	Entrepreneur**	BSc Economics, Finance & Applied Science	Nil	Entrepreneur
El Al	Israel	19,735	82.6	David Maimon (President & CEO) [53]	Israeli	Mar-14	3 years, 4 months	Insider	VP Commercial & Industry Affairs	BA Political Science	MBA	No dominance
TUIfly	Germany	19,001	90.5	Roland Keppler [52]	German	Sep-16	0 years, 10 months	Outsider	CEO, Car2go Group	B Industrial Engineering	Nil	Finance
Azul	Brazil	18,636	79.6	David Neeleman [49]	Brazilian/American	May-08	9 years, 2 months	Insider (founder)	CEO, JetBlue	Nil	Nil	Entrepreneur

(*continued on next page*)

(continued)

Airline	Country	RPK million	Load factor	CEO (* females) [Age at start]	Nationality	Start date	CEO tenure at July 1, 2017	Insider/ outsider	Previous role (** no prior aviation experience)	Qualifications undergrad	Qualifications postgrad	Background
Volaris	Mexico	18,603	82.3	Enrique Beltranena [43]	Mexican	Mar-06	11 years, 4 months	Insider (founder)	COO, Grupo TACA	Nil	CPA	Entrepreneur
Aerolineas Argentinas	Argentina	18,340	80.0	Mario Dell'Acqua [62]	Argentinian	Dec-16	0 years, 7 months	Outsider	President, Intercargo	B Industrial Engineering	MBA	No dominance
Austrian	Austria	18,190	78.0	Kay Kratky [57]	German	Aug-15	1 year, 11 months	Insider	COO, Lufthansa (Austrian is a subsidiary)	B Mechanical Engineering		Operations
EgyptAir	Egypt	17,857	65.9	Safwat Musallam (Chairman & CEO) [57]	Egyptian	Mar-16	1 year, 4 months	Insider	Chairman & CEO, EgyptAir Tourism & Duty-Free	BA Languages	MA Languages	No dominance
Juneyao Airlines	China	17,845	85.2	Junjin Wang (Chairman & CEO) [35]	Chinese	Jan-05	12 years, 6 months	Insider (co-founder)	Co-Founder	Nil	EMBA	Entrepreneur
AirAsia X	Malaysia	17,553	75.1	Benyamin Ishmael [38]	Australian	Sep-15	1 year, 10 months	Insider	Acting CEO & Group Head-Investor Relations, Corporate Development & Implementation, AirAsia	B Commerce, Banking & Finance	M Electronic Commerce	Finance
Aer Lingus (IAG)	Ireland	17,531	81.6	Stephen Kavanagh (IAG) [47]	Irish	Mar-15	2 years, 4 months	Insider	Chief Strategy & Planning Officer	B Commerce	M Transport Logistics	Operations
Virgin America	USA	16,792	82.2	Ben Minicucci [49]	Canadian	Dec-16	0 years, 7 months	Insider (merger)	Chief Operating Officer of Alaska Airlines	B Mechanical Engineering	M Mechanical Engineering	Operations
Capital Airlines	China	16,758	89.6	Xu Jun [unknown]	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown	Unknown
Air Transat	Canada	16,400	89.0	Jean-Marc Eustache (Chairman & CEO) [39]	Canadian	Jan-87	30 years, 6 months	Insider (founder)	Entrepreneur**	BSc Economics	Nil	Entrepreneur
S7 Airlines	Russia	15,701	80.3	Vladimir Obyedkov [53]	Russian	May-09	8 years, 2 months	Insider	Deputy CEO Flight Operations	B Engineering	Nil	Operations
Air Arabia	UAE	15,100	79.0	Adel Abdulla Ali [unknown]	Bahraini	Oct-03	13 years, 9 months	Insider (founder)	VP Commercial & Customer Service, Gulf Air	Unknown	MBA	Sales & marketing
Thai AirAsia	Thailand	14,872	81.0	Tassapon Bijleveld [36]	Thai	Jan-03	14 years, 6 months	Outsider	Managing Director of Warner Music (Thailand)**	B Marketing	M Marketing	No dominance
Oman Air	Oman	14,709	71.4	Paul Gregorowitsch [58]	Dutch	Aug-14	2 years, 11 months	Outsider	Chief Commercial Officer, Air Berlin	B Business Management	Nil	Sales & marketing
Allegiant Air	USA	14,392	85.0	Maurice J Gallagher (Chairman & CEO) [53]	American	Aug-03	13 years, 11 months	Insider	Director & majority owner	BA History	MBA	Entrepreneur
Cathay Dragon	Hong Kong	13,436	79.0	Algernon Yau (CEO & Director Service Delivery of Cathay Pacific) [57]	Chinese	Jul-14	3 years, 0 months	Insider	CEO of Cathay Pacific Services	B Business, Transport & Logistics Management	MBA	Operations

Appendix 1. CEO details for the top 100 global airlines by RPK (as of July 2017)

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