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## What Would Henri Fayol Have Said About the U.S. Airline Industry and Its Problems?

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## EDITORIAL

### **WHAT WOULD HENRI FAYOL HAVE SAID ABOUT THE U.S. AIRLINE INDUSTRY AND ITS PROBLEMS?**

The name Henri Fayol is probably familiar to those of us who have taken a management course in our collegiate days. Fayol (1841-1925), a French mining engineer, is considered by many to be the Father of Modern Management. Perhaps what he is best remembered for is his visionary thinking about the problems facing a general manager, or what is now called the functions of management. These functions include planning, organizing, commanding, coordinating, and controlling. However, in the many years since Fayol first presented them in *Administration Industrielle et Generale* in 1917, many of the 14 Principles of Management have somehow been forgotten or just plain overlooked.

Fayol's 14 principles are:

1. Division of labor: Work should allow specialization.
2. Authority: Authority and responsibility must be equal.
3. Discipline: Discipline is necessary to develop obedience, diligence, energy, and respect.
4. Unity of Command: No subordinate can have more than one supervisor.
5. Unity of Direction: All operations with the same objective should have the same manager and the same plan.
6. Subordination of Individual Interest to General Interest: The interest of the enterprise takes precedence over individual interests.
7. Remuneration: Rewards for work should be fair.
8. Centralization: Centralization-decentralization is a matter of proportion.
9. Scalar Order: There should be clear lines of authority.
10. Order: A place for everything and everything in its place.
11. Equity: Employees should be treated with kindness and justice.
12. Stability of Tenure: Turnover should be minimized to assure successful goal accomplishment.
13. Initiative: Subordinates should be encouraged to conceive and execute plans in order to develop their capacity to the fullest.
14. Esprit de Corps: Harmony and unity build enterprise strength.

Now consider the U.S. air transportation system in general, and the certificated air carriers specifically, and ask the question, "How well have the FAR 121, 125, and 135 certificated air carriers employed Fayol's 14 Principles of Management?" But first remember that we are focused on an industry that has lost more in the last 3 to 4 years than was made during the entire period of air transportation in this country. Also, consider that only one major air carrier (Southwest Airlines) was able to make a profit during this recent period (and during every one of the last 20 years as well). Now think about the recent American Airlines labor problems and the necessity for the federal government to step in to prevent continued excessive loss in an already embattled air transportation system. Although it would be extremely naive to think that the speedy application of Fayol's 14 principles would be the salve to heal the vast and gaping wounds in the air transportation system, one must consider that perhaps the principles should have been applied a priori.

The darling of the industry has certainly been Southwest, with their steady earnings, their slow and measured growth strategy, and their loyal and hard-working employees. While many attribute the Southwest corporate culture solely to Chief Executive Herb Kelleher, a lawyer by vocation, a closer look might reveal that Kelleher had a good dose of Fayol in his academic

***Henry Fayol's Principles***

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days. There is no question that specialization, authority and responsibility, discipline, unity of command and direction, interests of the enterprise, rewards, order, kindness and justice, stability, encouragement of initiative, and esprit de corps are all present within the Southwest organization. The result is a clear and consistent winner in an arena of high risk, low return on investment, and a boom-or-bust lifestyle.

So what would Fayol think of today's air carriers in their time of travail? There is no doubt that Fayol would be quick to warn that different situations may require different techniques, so management cannot be rigid. Additionally, allowance must be made for change, and, finally, there is nothing sacred about the 14 principles; there may even be more, but never less.

HRL