

Air canada

Business, E-Commerce



Supervisor Summary of ' Flying the Unfriendly Skies: A Cautionary Tale of Conflict Turned Toxic' The conflict tale of Air Canada begins with 20 percent wage deduction of their flight attendants in the year 2004 because of financial troubles. Company had not yet recovered from their financial woes in 2010. They had already spent six years to implement strategic changes to bring their business back on track. Management had to rethink their business plan to attract customers through discount offers. Implementation of discount tickets had also put a restriction on employee benefits as it required salary cuts, layoffs, and reduced pension plans. Flight attendants did not like the idea of annual income of \$18K and replacement of long-term pension plan with fixed monthly amount. Union did not accept management ideas as they found workers on the receiving end and humiliated in spite of their sacrifices in 2004 for saving the company. Management and Union did not able to arrive at the settlement in 2011. New contract negotiations become intractable in such a situation in which union had a conflicting interest and intent from management. Although union negotiators arrived at two deals, but union members did not find it mutually beneficial as they felt deceived because of no concern for personal life and losses occurred in the past (NewsLook, 2011). Labor minister's disapproval of the strike demoralized flight attendants, and they staged protests. Power abuse by labor minister aggravated the contention that converted possibility of constructive conflict into relationship difference between union and management.

Structural sources of conflict in this case are incompatible goals, resource scarcity, and tightly coupled tasks. Air Canada management has committed negotiation errors of distributive bargaining style to apply the approach of

win-lose to resolve the current crisis. They should have applied win-win method of accommodating past concerns of flight attendants in alignment with future goals of revenue generation. Union did not communicate effectively to raise concerns of members. They have ignored management concerns and lost confidence of both union members and management. If Union could have applied integrative bargaining methodology to align interest of flight attendants with superordinate objective to solve problem constructively, relationship between management and union could have been better (CBCtelevision, 2012). Involvement of third party mediation could have avoided conflict turning into toxic relationship.

Works Cited

NewsLook. Air Canada Union Cancels Midnight Strike. Daily Motion, 13 Oct. 2011. Web. 27 Mar. 2013. CBCtelevision. Air Canada Wildcat Strike. CBC player, 27 Mar. 2012. Web. 27 Mar. 2013.