

# Organizational design and environment

Profession



Political. The deregulation of the commercial airline industry in the US was initiated by the Carter Administration in 1978. The momentum was building for deregulation of the air line industry in the face of resistance by most of the minor and some of the major American airline companies. The reason for the negative response on the part of smaller airlines to deregulation was that the bigger airlines would

- (1) go in the medium haul markets which industry regulation denied them,
- (2) under price the smaller airlines operations,
- (3) compel minor airlines out of the industry, and
- (4) raise prices in the medium haul markets.

Economic. One of the conventional methods used in the American airline conflict resolution is the mediation process/strategy. Mediation theory rests upon a neutral party able to diminish conflict by helping opposing parties define issues, examine solutions, and work towards an agreement. One of the biggest uses of mediation is that the parties can define the issues that result in conflict without the normal tension and stress because of the ameliorating effect of a neutral and impartial third party. (Source: The Economic Effects of Airline Deregulation: A literature review)

Social . In view of the recent American Airlines labour clash on collective bargaining. There were traditional three primary forms of negotiation used between management and labour. The first one was the collective bargaining, and the other one was the mediation. The third option was the legal action or justice system involvement. As a tool to attain a victorious

compromise for labour from management, collective bargaining has been used for so long by unions.

Strikes, sit-downs, and other types of work stoppage are basically applied as a tool of threatening employers to concede to the demands of labourers.

(Source: management & Union Negotiation Methods)

Yet, despite which methods are used, it is often the dynamics of conflict resolution that most impact the individual worker or most influence management decision-making. In an era where increasing “perceived competition” (Russel & Russel 1992: 431), cost-cutting, free markets, and globalization continue to see support for unions erode in many democracies, the rights and freedoms of workers continue to be threatened.

Technological. The application of Information Technology to the airline reservations function information technology, which refers to the electronic processing and management of data. This creativity and innovation (Elsbach et al. 2005: 432) in the airlines industry led American Airlines to launch the largest airline computerized reservations systems, the Semi Automated Business Research Environment (SABRE), which is a subsidiary operation of American Airlines. SABRE was conceived in 1959 made its operational debut in 1963. III. Conclusion. Read about

Evolution of Job Design

All the above answers our main research question and evidently recognized what attributes of organizational structure that sustain the development of organizational design, mostly in companies where these organizational

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structures form part of their strategy. Some agree to a very simple and flexible organizational design increasingly flat structure with fewer hierarchical levels in order to allow dialogue and team work among staff members and promote easy communication between all firm members, so that a combined learning can be produced from the knowledge owned by individuals.

This will permit the employees to take enhanced benefit of their individual potentialities, to build organization practices, boost the value of their contributions, and finally create industrial peace in the (airline) industry.

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