

# Magic carpet airlines essay sample

Government



**ASSIGN  
BUSTER**

1. What did the union do to prepare for negotiations? What additional sources of information might it have used? What were the union's primary objectives?

The union began preparing by doing research to find out what other similar airline carriers were supplying for their flight attendants (i. e. average working conditions, benefits, and wage rates). They used government sources to compare wage, unemployment, and cost-of-living data. LFA already knew the financial history of the company so they decided to propose ideas that were within range of their situation. After doing some research, LFA decided to send out a survey to find out what the flight attendants desired in the new contract. The primary objectives were to increase wages via duty rig provisions and to increase job security.

2. What were the union's strategies and were they reasonable?

The Union had four strategies to obtain their objectives. The first strategy was keep all the union members informed of the of the negotiation process. The Union sent out mailed letters after each session with a short explanation of what was discussed and an over view of what was agreed upon. Members also received a Newsletter every two weeks that highlighted what had happened. This was a reasonable strategy to keep the members educated on what was happening in negotiations. The second strategy was to get all the members involved in the process by handing out pens, buttons, and t-shirts with the slogan, " We make the difference and they make the money." These were distributed to all members and some select flights. Their purpose was to get the message out that they were requesting better benefits and that

they deserved them. This was a reasonable way to spread the word and to let all members know that the Union was working hard to get the flight attendants what they deserved.

The third strategy was to convince MCA that they were serious. The union did this by sending out information about a potential strike if MCA would not adhere to their demands. This strategy is quite bold and could lead the company to feel that they were not given a chance. In return MCA could have harsh feelings toward the Union and not compromise as easily. The fourth strategy was to only settle issues with unanimous consent from the negotiating committee. The union planned on every person in the committee being at every meeting and they set the rule that everyone had to agree to proceed. This is definitely not reasonable because there may be situations when a member can't make a meeting. It is also not reasonable to say that everyone must agree. There are times when this is not possible and it should have been planned for. Maybe the union should have had a majority vote or even a 75% vote minimum.

### 3. What were the company's goals and strategies?

MCA went in to the first meeting trying to intimidate the Union. They were late, rude, sarcastic, condescending, and unwilling to compromise on any issue that the Union brought up. They went into the first meeting not wanting to change anything in the current contract. They made it clear that they were not taking the negotiation seriously and they did not plan on coming to an agreement unless it was on their terms in the beginning.

4. How did the deregulation of the airline industry in the late 1970s influence labor relations at Magic Carpet Air?

Before the Deregulation Act of 1978, the airline industry was federally regulated in regards to their routes and the fares that they charged.

However, after the regulations, airlines were free to fly any routes, pay any wages, and to charge any fares that they wished. This caused many airlines to cut their labor costs where they could. That is why MCA asked for concessions on nearly everything.

5. What tactics did management use that they had not attempted to use previously?

In the beginning, MCA didn't care to negotiate at all. They wanted the contract to stay the same without any changes. They did not care what other similar companies were paying their employees or the benefits that they were getting. MCA went into negotiations much like a two year old who doesn't want to act right. However, as the negotiations went on, they decided to grow up and try to be reasonable. They began to compromise (i. e. give a little and get a little). They used intimidation, power, and basically tried to trick the Union into signing something that they did not agree on.

6. What role did ethics play in this case?

The Union tried to use the ethic card several times in the negotiations but MCA was only worried about the money that they were going to lose in the process. Eventually, MCA realized that the Union was not going to give up

and there were certain issues that they would not let go, such as wages, duty rig pay, and job security.

7. What strategies did the mediator use, and why did he quit?

The mediator, Mr. Crenshaw, tried to use the stance of, it wasn't their idea but it was mine. He tried to go in and say that he came up with a brilliant plan to try to get the groups to listen. He also told everyone that what they said was confidential to try to build trust. The mediator wanted to try to lump issues together to show that each side could give a little in one area to get something in another area. The last strategy that he tried to use was to use the 'me too' clause. Mr. Crenshaw quit because he no longer thought he could help the two parties. He felt that it was turning into a competition to see who could get the mediator on their side instead of working issues out.

8. What was the purpose of adding the "me-too" clause, and did the LFA use it wisely?

This clause says that the flight attendants will agree to what is put in the pilots' and mechanics' contract concerning changes in ownership and seniority rights. Using this clause was a good idea but it probably could have been presented better. The readings do not show how Mr. Crenshaw presented the idea to MCA but it could have been presented in a way that made MCA feel that they were getting a good deal.

9. What should the union do next? Justify your decision.

The Union needs to get convince MCA that the 'me too' clause will benefit them because it will cut the negotiations in the future between the two

parties. If they include this clause, the negotiations can be over at that point since everything else has been agreed upon. This will also help flight attendants be aware that they are cherished just as much as the pilots and the mechanics. If they feel that they are appreciated, MCA will have happier employees which in turn make happier customers.

## References

Lewicki, R. J., Saunders, D. M., & Barry, B. (2010). *Negotiation: Readings, exercises, and cases* (6th ed.). New York: McGraw-Hill Irwin.