Rhetorical Leadership in Communicating Change in Business Environments: The Case of the AirTran vs. Midwest Airlines Takeover Struggle

Kathryn M. Olson

University of Wisconsin - Milwaukee

Effective leadership always has involved actively sharing and managing the meaning of confusing situations for and with others who have a stake in the outcome (Fairhurst & Sarr, 1996, p. 2). Smircich and Morgan (1982) wrote:

> [L]eadership is realized in the process whereby one or more individuals succeeds in attempting to frame and define the reality of others. . . . Through these diverse means, individual actions can frame and change situations, and in so doing enact a system of shared meaning that provides a basis for organized action. . . . [L]eadership involves a process of defining reality in ways that are sensible to the led. (pp. 258-259)

Under twenty-first century conditions of fluid organizations, shared power, diffused responsibility, and expanded information access (see Bryson & Crosby, 1992; Hirschhorn & Gilmore, 1992; Olson, 2006), critical management and analysis of meaning—and the preparation to recognize and seize the rhetorical moment—are the essence of leadership, argued Fairhurst and Sarr (1996, pp. 2, 10). Rhetoric, the ways in which symbols influence people and so create and exercise power, is key to leading or to critiquing leadership effectively in such circumstances. Whether or not one holds a position of authority, contemporary businesspeople must be prepared to "inspire and motivate followers through persuasion, example, and empowerment, not through command and control" (Bryson & Crosby, 1992, p. 21).

Situations involving change usually are conflicted and confusing, requiring effective business leaders to employ rhetoric to make sense of their preferred course of action in a way that also makes sense "to the led." Internal and external stakeholders (e.g., customers, employees, shareholders, neighbors, watchdog agencies) often do not participate directly or extensively in such a decision, yet their cooperation, buy-in, and coordinated action is vital to its ultimate success, whether pursuing or resisting major change. The success of or resistance to a proposed change rests on inspiring and motivating such stakeholders to embrace an interpretation of events and its implied action course by showing that it makes more sense for them—not just for the leader--than do the proposed alternatives. This paper draws on the scholarship of Perelman and Olbrechts-Tyteca as well as Burke for rhetorical strategies by which a leader might meet the challenge of rallying support among stakeholders who do not participate directly in the decision over change, but whose cooperation is essential. These strategies and their implications are illustrated through the case of AirTran's recent hostile attempt to acquire Midwest Airlines.

AirTran vs. Midwest

The main players in this takeover struggle hardly could be more different. In fact, the main commonality between AirTran and Midwest is that both rely heavily on the Boeing 717 for their fleets; they sponsor complementary rather than overlapping routes (Adams, 2007; Daykin, 2006a; Hirschman, 2007c). AirTran is one of the nation's newer and largest "low cost" carriers; its objective is similar to that of other such carriers (e.g., JetBlue, Southwest): to compete by offering lower fares than "legacy" carriers like United, American, and Northwest (Daykin, 2006a). To accomplish this goal, it must move more people per flight to pump profits and strip down service to cut costs. AirTran is much larger than Midwest with approximately 700 daily flights compared to Midwest's 345 and 8,000 employees compared to Midwest's 3,500 (Daykin, 2006a; Fredrix, 2007). Unlike discount carriers, Midwest flies under the slogan "The Best Care in the Air," offering wide two-across business seating, gourmet food, award-winning service, and chocolate chip cookies baked in flight. The airline started as a service for Kimberly-Clark executives in 1969 and went commercial in 1984; it moved its base from Appleton, Wisconsin, to Milwaukee and became a publicly-traded company in 1995 (Daykin, 2006a; Fredrix, 2007). Founder Timothy Hoeksema is Midwest's long-time chairman, CEO, and president (Daykin, 2006a). Midwest enjoys a loyal following due to its service and hometown devotion as it links Milwaukee to many smaller cities (e.g., see Bauer-King, 2007).

The most recent takeover drama began in late 2006, the only active proposed deal in the airline industry that year, despite predictions of merger mania (Adams, 2007). Midwest's board of directors had turned down several prior offers from Orlando-based AirTran (Hirschman, 2007c; Midwest CEO, 2007). In October 2006, AirTran offered about $300 million, which the Midwest board flatly rebuffed in early December 2006; so, AirTran turned to Midwest shareholders and repeatedly upped the ante for outstanding common stock tendered in hopes of increasing pressure on the board to reconsider (Daykin, 2006a). AirTran continued to raise its offers and extend the deadlines for tendering shares. At this writing in mid-July 2007, AirTran was offering $15 per share or $389 million and had extended that offer until August 10 (AirTran's Takeover Bid, 2007; Midwest Air Warns, 2007). It also pursued its case in public "by taking out full-page advertisements in Midwest's hometown paper [the *Milwaukee Journal-Sentinel*], courting local officials and appealing to passengers and shareholders to urge the board to reconsider" (Fredrix, 2007). Midwest fired back at the hostile takeover bid with a $2.6 million "Save the Cookie" campaign that included not only T-shirts and online petitions but also full-page ads featuring a letter from CEO Hoeksema and press releases of polls showing that certain indirect stakeholders (e.g., frequent customers, Kansas City and Milwaukee corporate travel planners) strongly preferred that the AirTran acquisition not occur because they feared decreases in service quality and desirable flight options (Garcia, 2007; Midwest Airlines, 2007a, 2007b; Midwest Air Warns, 2007). Subplots in the drama included a failed legal maneuver by AirTran to gain access to Midwest shareholder information under a New York law and a debate over who should control Milwaukee's airport (Bar, 2007; Sandler, 2006).

In June 2007, AirTran succeeded in unseating three incumbents and getting its slate of three elected to Midwest's board of nine directors by securing the votes of approximately two-thirds of the shares (Daykin, 2007b; Rovito, 2007). Though constituting a minority of the nine decision-makers, this move leveraged an AirTran presentation to the Midwest board on July 16 regarding the advantages of joining forces. When the results were in, Hoeksema responded, "If today's election says anything at all, it says that our shareholders want us to listen, and that is what we intend to do" (Rovito, 2007). Midwest's senior vice president for corporate affairs Carol Skornicka concurred with Hoeksema's assessment of the election results, but also warned that "nothing has changed" and listening did not portend merger: "But the board has expressed no interest in engaging in any negotiations. They have consistently maintained unanimously that the offer is inadequate . . . . The fact that three new directors have been elected does not change the analysis" (Adams, 2007; Lank, 2007).

Midwest also appealed to its responsibility to consider the interests of stakeholders in addition to shareholders in making the decision. Wisconsin law encourages a board "to take into account the interests of other groups, including the broader community, employees and suppliers, when considering a sale" (Lank, 2007). Concomitantly, the airline minimized the tally of shares tendered as merely a "straw poll" and the board election as representing a minority opinion (only 40 percent among its outstanding shares) on the grounds that almost 40 percent of Midwest's outstanding shares failed to vote at all in the pivotal proxy battle (Adams, 2007; Hirschman 2007a, 2007b; Lank, 2007; Midwest: Only 40, 2007). AirTran, meanwhile, contended that if there is such a thing as "corporate democracy," the board election results should be a powerful indicator that the majority of Midwest shareholders want to do a deal (Lank, 2007). Whatever the results of AirTran's July presentation to the board, Midwest still had some potent tools to avoid a takeover, including a legal provision that would prevent AirTran, should it acquire 10 percent of Midwest stock, from buying the company for three years without the board's approval and a "poison pill" provision that would allow Midwest's board to drive up the cost by flooding the market with more shares if AirTran acquired 15 percent of its stock (Hirschman, 2007b, 2007c; Lank, 2007)

Each side publicly lined up supporters. AirTran released a letter from its union partners (e.g., National Pilots Association, Orlando Teamsters) endorsing the Midwest takeover (AirTran Unions, 2006). Then Institutional Shareholder Services, "an influential corporate governance watchdog group," supported AirTran's efforts to elect three dissident directors and criticized the lack of turnover in Midwest's board (an average of 14 years of service for current directors and Hoeksema at the helm for 23 years) (Hirschman, 2007c). Midwest, which has a hub in Kansas City, received the endorsement of the Greater Kansas City Chamber of Commerce's board to maintain its independence as well as support from the president of the Metropolitan Milwaukee Association of Commerce (Daykin, 2006a; Rovito, 2007). Concerned citizens/customers individually expressed their support for Midwest's independence on websites, through letters to the editor, and in interviews with reporters (Bauer-King, 2007; Daykin, 2006b; Fredrix, 2007). More than 32,000 people signed an electronic anti-merger petition on Midwest's "SaveTheCookie.com" website (Hirschman, 2007a, 2007b). Midwest also secured support for its continued independence from Wisconsin Governor Jim Doyle and the state's congressional delegation (Adams, 2007). Wisconsin Senator Herb Kohl, chair of the U.S. Senate's Antitrust, Competition Policy and Consumer Rights Subcommittee, vowed to pounce on any anti-trust violations by AirTran (Skiba, 2007). Understandably, Midwest's pilots union chose to remain officially neutral, since their members would have to work with whichever company won the contest (Daykin, 2006b).

The AirTran vs. Midwest takeover attempt is an instance in which the main players publicly prioritized different values and each needed to persuade stakeholders with little or indirect input into the decision yet whose cooperation would be essential to success either way (e.g., Midwest shareholders, employees, and customers) that its interpretation was superior. Midwest was particularly reliant on effective rhetorical leadership among these groups as it had more to lose and the board and directors themselves controlled only 7.3 percent of Midwest's shares compared to the approximately 60 percent of shares promised to, but not yet acquired by, AirTran (Hirschman, 2007c). Midwest's spokespeople repeatedly stressed that the consequences of choice affected not only its stockholders, but the broader community, employees, and suppliers and that the board was looking out for all concerned (Daykin, 2006b; Hoeksema, 2007; Lank, 2007). The rhetorical concepts of *loci communes* and transcendence are useful in examining how and why public discourse might tip stakeholder support to embrace or resist a change, especially when both business positions have some merit.

Loci Communes and Transcendence in Arguing about Change

Loci communes provide rhetorical ways of organizing reality that do not depend on any particular situation or subject matter; they are general enough to be available in all circumstances and hence are "common places" for grouping and inventing relevant material (Perelman & Olbrechts-Tyteca, 1969, p. 83). As common premises regarding what is desirable, good, or preferable, *loci communes* "function as the constitutive principles of our discourse, i.e., as the bases for our interpretation of general values in situated moments of decision and action" (Cox, 1982, p. 228). From necessity, "all audiences, of all kinds, have to take *loci* into account," argued Perelman and Olbrechts-Tyteca (1969, p. 85). Because *loci communes* involve matters of interpretation not certainty, the parties addressed may reject a *locus*, and the speaker who invokes a particular *locus* may be required to justify it and defend its superiority to interpretations funded by alternative *loci* (Perelman & Olbrechts-Tyteca, 1969, pp. 84-85). Furthermore, even very general *loci* invite confrontation by contrary alternatives, such as the value of the enduring confronted with the value of the precarious and fleeting (Perelman & Olbrechts-Tyteca, 1969, p. 85). Because these general premises about what constitutes the preferable are so, well, *common* in how both speakers and audiences daily make meaning and decide close practical questions, people seldom appreciate their argumentative and critical potential (Perelman & Olbrechts-Tyteca, 1969, p. 84). And, because *loci communes* form the most general premises that play a part in justifying most human choices, they often remain implied or unspoken as an enthymematic warrant or backing in an argument (Perelman & Olbrechts-Tyteca, 1969, p. 84).

The reason *loci communes* are so pivotal in struggles that involve change is that they provide premises for intensifying commitment to or establishing hierarchies among competing desirable values and hence conflicting courses of action (Perelman & Olbrechts-Tyteca, 1969, p. 83). Although values in theory may be relatively independent, their fulfillment often comes into conflict in a specific context where competing values both cannot be served equally well: "The reason why one feels obligated to order values in a hierarchy, regardless of the result, is that simultaneous pursuit of these values leads to incompatibilities, obliges one to make choices" (Perelman & Olbrechts-Tyteca, 1969, p. 82). In fact, though many values are shared by most people (who wouldn't like both quantity and quality, both cheap fares and business-class service?), in situated practice one often must privilege some values over their contraries; the key to whether a stakeholder accepts one interpretation and its related action course over another is the relative intensity with which s/he adheres to various values or the hierarchy by which s/he prioritizes them when they seem incompatible in a particular situation (Perelman & Olbrechts-Tyteca, 1969, p. 81).

Loci communes are advanced as bases of choice only when a particular value hierarchy must be defended and one of the contrary values subordinated or sacrificed at least temporarily (Perelman & Olbrechts-Tyteca, 1969, pp. 80, 83). Consequently, contests among contrary *loci communes* are not pitched battles that vilify the opponent or the alternative course as evil or completely unworthy. Rather they offer responsible rhetorical approaches for prioritizing or deciding between two reasonable, independently desirable alternatives (neither of which is unequivocally better for all concerned), which offer distinct kinds of benefits and which are practically incompatible in a particular situation--without totally devaluing the basis from which one's opponents interpret things (Cox, 1982, p. 228). Thus, understanding *loci communes* offers rhetorical leaders a civil and practical approach for appealing to direct and indirect stakeholders who are choosing where to stand and why in a contest between two valued, yet incompatible options. This view also flexibly recognizes that value hierarchies cannot and should not be set in stone, but constantly are renegotiated depending on the range of stakeholders and the unfolding situation. The AirTran-Midwest dispute concerned the relative prioritization of the *loci* of the possible and the existent as well as of the *loci* of quantity and quality. Both sides tried to reconcile the resulting tension between quantity and quality, while still privileging one value over the other, though they used different rhetorical tactics to do so.

The Possible vs. The Existent

Public rhetoric in the AirTran-Midwest struggle brought the existent, one of Perelman and Olbrechts-Tyteca's six *loci communes*, into a contest for stakeholders' prioritization with its situated contrary, the *locus* of the possible. The *locus* of the existent affirms "the superiority of that which exists, of the actual, of the real, over the possible, the contingent, or the impossible" (Perelman & Olbrechts-Tyteca, 1969, p. 94). Midwest, of course, argued for the supremacy of staying with that which currently existed: an independent airline with its proven benefits for a range of stakeholders. Meanwhile, AirTran asserted that Midwest had not realized the full potential of the Milwaukee area and that its acquisition would lead the airline and community to new levels of success. Midwest countered with the impossibility or unlikelihood of AirTran delivering on those promises and a plea to consider both the longevity of its demonstrated yields and the riskiness of forsaking a proven, home-grown airline.

In defending Midwest's record and likelihood of continued success, Hoeksema (2007) wrote in an open letter:

> For more than two decades, Midwest Airlines has been Milwaukee's hometown airline, offering passengers "The best care in the air." . . . Our unique approach to service, our experience serving Milwaukee, and most importantly, our own business model speak louder than AirTran's words. We've built a better airline. . . . Midwest's business model will succeed. For the past 23 years, we've enjoyed some success, weathered downturns and adapted to a changing industry. The decisions we make today are based on the knowledge we've gained from listening to our customers and working hard to provide Milwaukee a high level of service.

In a different but also publicized letter to Midwest shareholders, Hoeksema stated, "AirTran has failed to show a profit in three of the last four quarters, while Midwest has been profitable in three of the last four quarters"(Daykin, 2007a). In a full-page newspaper ad, Hoeksema implored stakeholders to believe in Midwest's business strategy: "For our entire history, we've had to overcome the skeptics who said we were too small or our business model couldn't work, and we've always emerged as the exception that succeeded" (Fredrix, 2007). Midwest's independent expansion plans included adding six new destinations and 12 new routes in 2007 (Midwest CEO, 2007).

AirTran stressed the possible benefits to all stakeholders that were contingent on it absorbing Midwest. Kevin Healy, vice president of planning, noted that AirTran's acquisition of Midwest "would bring nearly $1 billion in economic benefit to Wisconsin, create more than 1,100 jobs and expand service by 74 flights and 29 destinations" (Skiba, 2007). AirTran's chairman and CEO Joe Leonard predicted that the combined company would realize $3.5 billion in revenues and have 15,000 employees by the end of 2007 and offer 1,000 departures a day in 74 cities (Fredrix, 2007; Midwest CEO, 2007). AirTran contended that merger would strengthen both airlines and spur growth (Adams, 2007). CEO Leonard noted that AirTran's aggressive growth plans promised to expand opportunities for Midwest pilots, flight attendants, and other employees (Daykin, 2006b). A statement by AirTran spokesman Tad Hutcheson touted the desirable future economic possibilities for both indirect and direct stakeholders: "AirTran's plan is focused on jobs and economic growth in the Milwaukee community, . . . and we will continue to push our proposal which we believe will create greater value for Midwest shareholders" (Daykin, 2007a). Because it would replace Midwest's two-across seats with a standard two-by-three set of narrower seats and so accommodate more passengers per flight, AirTran predicted that it could lower fares enough to attract to Milwaukee more passengers from the Chicago area who currently use O'Hare Airport (Daykin, 2007a).

By contrast, Midwest, contended Leonard, is just “too small” to continue to compete effectively in a time of airline consolidations, let alone to deliver comparable benefits (Daykin, 2006b). AirTran protested Hoeksema’s publicized negative assessment of its expansion plan, calling his comment “out of line and inconsistent with the reality of the market” (Daykin, 2007a). Healy and other AirTran spokespeople warned that the fact that Midwest had revised its 2007 earnings projections downward twice before the board of directors’ election (see Daykin, 2007c) indicated that its plan to remain independent was flawed and the company was in need of rescue from its “risky go-it-alone plan” (Hirschman, 2007b; Lank, 2007; Midwest Air Warns, 2007). AirTran claimed that the transition to gain the projected benefits would be feasible, even easy. In ads, AirTran argued that merger “makes sense” because of the airlines’ similar aircraft and complementary routes and hubs. (AirTran’s hub is Atlanta). CEO Leonard further claimed that the two airlines’ reliance on Boeing 717s could make the merger “seamless” (Fredrix, 2007). All these arguments depended on auditors’ valuing the possible or the contingent above the existent.

The purported gains of an acquisition are exaggerated or misleading, but the loss of established benefits is sure, countered Midwest, pointing up the value of the existent. Midwest VP Skornicka claimed that the AirTran takeover likely would jeopardize over 700 local maintenance and administrative jobs and would be unlikely to increase greatly flight service out of Milwaukee (Daykin, 2006b). AirTran’s claims that Milwaukee currently is underserved are untrue, charged Midwest, and its promised flight schedules and route map (based on population figures that include much of suburban Chicago) are “unsustainable based on Milwaukee’s actual size and passenger demand” (Daykin, 2007a; Hoeksema, 2007). In his letter to shareholders, Hoeksema characterized AirTran as “desperate to buy Midwest to stave off further erosion of its business” and accused AirTran of leaving “a trail of broken promises in markets it enters with great fanfare,” citing the example of Dallas/Fort Worth (Daykin, 2007a).

While AirTran’s glittering possibilities would not be realized, argued Midwest, existing benefits surely would be sacrificed in the change. After detailing Midwest’s superior customer service, customer programs, and onboard amenities, Hoeksema (2007) warned,

> These and the other amenities you’ve come to expect from Midwest would all disappear in an AirTran takeover. . . . Additionally, under the AirTran plan, service to the smaller cities we currently serve—such as Appleton, Madison and Green Bay—would likely disappear over time.

The Midwest CEO also cited Milwaukee’s loss of economic clout and pride and Wisconsinites’ loss of a voice or priority in future decisions should the hometown airline be overtaken by outsiders (Hoeksema, 2007). And he grimly predicted to the Associated Press that an acquisition would rob his airline of its “charm” and require more seats, less leg room, and giving up perks like Midwest’s trademark chocolate chip cookies:

> I think their vision, based on what you read, is to convert it to a commodity carrier that does not have the focus on service that we do and to make it into a high-

> density, low-cost product, eliminate some of the things that we offer . . . and turn it into AirTran. (Midwest CEO, 2007)

While much of AirTran's appeal rested implicitly on the *locus* of the possible and hopes for the future dividends of taking a chance on change, Midwest championed the comfort and superiority of the existent, the proven commodity, the bird in the hand in this case and so exhorted stakeholders to resist change.

Quantity vs. Quality

Contests over change often involve more than one pair of competing *loci*. As much of the already-cited discourse suggests, a second struggle existed in this case over relatively prioritizing the *loci* of quantity and quality. Both AirTran and Midwest claimed that they provided both quality and quantity, but each clearly favored a different value as the determining basis for the merger decision. The *locus* of quantity is obvious, yet more complex than "bigger is necessarily better" and "more of any good thing is better than less of it." It can take various forms, including advocating the superiority of the action course that serves the greater number of people, that is more durable and lasting, or that is more widespread, more common, or more prevalent already (see Perelman & Olbrechts-Tyteca, 1969, pp. 85-89). "More often than not," wrote Perelman and Olbrechts-Tyteca (1969), "a *locus* relating to quantity constitutes a major, though implied, premise, without which the conclusion would have no basis" (p. 85). In the case of a business decision, the notion that quantitatively more is the goal is likely assumed.

AirTran's position rested on precisely this assumption. Its key public reasons for merger were all quantitative (e.g., *bigger* airline, *more* jobs, *more* flights, *more* destinations, *lower* fares, *more* passengers, *more* economic growth, *more* profits, a *majority* of Midwest stockholders on their side; on profits, see also AirTran Beats, 2007). Meanwhile, the airline merely refuted charges that quality would decline precipitously after merger rather than citing improved quality as a reason for action. For example, VP Healy refuted critical comments about AirTran by Wisconsin's Senator Kohl with merely "I'm not sure who wrote these remarks for the senator, but clearly they have never flown with AirTran. AirTran Airways does have low fares, but we are far from no-frills" (Skiba, 2007). Likewise, AirTran VP Hutcheson proclaimed, "We don't want to destroy Midwest;" had they, he said, we would have moved into Milwaukee and competed directly (a negative instance of the *locus* of the possible, which the company eschewed). Quality still will be available after the acquisition, AirTran claimed. Hutcheson noted that AirTran had promised to keep serving cookies and that those customers who want more service can pay extra to fly business class (Midwest CEO, 2007). Even when AirTran approached the subject of serving stakeholder interests beyond the narrow category of shareholders, it focused on the quantitative. For instance, AirTran's president and COO Bob Fornaro worried publicly about shareholder profit as well as service reductions, lost jobs, and reduced economic activity for Milwaukee and higher travel prices for consumers if Midwest rejected AirTran's offer. He concluded, "On all three scores [i.e., the interests of shareholders, employees, and the community], our bid wins"

(Reed, 2007). This side's broader perspective essentially added up, rather than integrating, various quantitative aspects of the different interests.

Conversely, Midwest's spokespeople stressed the greater relative importance of quality. The *locus* of quality claims that the truth does not necessarily lie in the more numerous or the more common or popular, but requires dealing in a higher order, beyond and incomparable to numerical assessments (Perelman & Olbrechts-Tyteca, 1969, p. 89). Unlike the premise of quantity, business advocates who appeal to quality usually need to defend this premise explicitly. In this case, an early statement by Hoeksema contended Midwest's singularity, "We are successful because we provide customers with an exceptional travel experience. . . . Our product and service are unique, and are not readily compatible with a merger with another carrier" (Daykin, 2006b). At a news conference, Hoeksema elaborated that Midwest prefers to be known primarily for its brand and service, not low prices: "The bottom line is we are not a commodity carrier" (AirTran Unions, 2006). VP Skornicka explained one special touch: "We tell our flight attendants that their job is to treat their customers as if they were a guest in their own home" (Fredrix, 2007). In his open letter, Hoeksema (2007) made this quality comparison: "Midwest has been recognized as the best domestic airline more than 45 times in the past 17 years by a variety of ratings surveys. AirTran ranks poorly, if at all, in many of the same surveys." Key passages of that public letter detail the unique, qualitatively superior features and flight experiences offered by an independent Midwest. The unique is upheld as not only precarious and at risk (as established through the existent vs. possible opposition), but also rare and unlikely to recur, therefore precious and worth preserving (Perelman & Olbrechts-Tyteca, 1969, pp. 89-91).

Throughout the drama, but especially once 60 percent of its shareholders expressed themselves by backing AirTran's board candidates, Midwest stressed that, though representing a minority opinion, its original board knew what it was doing and had considered thoroughly AirTran's proposals (Daykin, 2006b; Midwest CEO, 2007). This board uniquely knows and is committed to the Milwaukee market, Midwest spokespeople claimed, and its stand-alone expansion plan is the one that will be more profitable than a "naïve" jump at AirTran's "opportunistic" promises of quick money (AirTran Beats, 2007; Hirschman, 2007c). Even under the threat of three AirTran candidates displacing incumbent board members, Midwest remained publicly steadfast about the superiority of its position. VP Skornicka claimed that the new board members would be welcomed, if elected, and predicted, "When they learn details of our strategic plan, they'll be persuaded of the long-term value of remaining independent, just as other board members have been" (Hirschman, 2007b). Thus, like AirTran's defense of its quality, Midwest defended its quantitative profitability, while still maintaining that quality should be the main decision criterion and setting up "long-term value" as its transcendent term.

Transcendence

Each company claimed to offer, just differently prioritize, both quality and quantity, yet their arguments set up measures that put the two in practical opposition. Consequently, each side needed to negotiate the tension created by how they had framed the situation.

Both airlines did this, somewhat clumsily, by adopting a "both-and" position. Essentially, this argument left quantity and quality as separate considerations and claimed that both could be fulfilled simultaneously, though to different degrees; hence there was no need to sacrifice one value completely in pursuit of the other, even though one clearly must be subordinated. Midwest pointed to its existent profitability and affordability, though this argument suffered when the airline performed worse than expected and twice revised its 2007 predictions downward, while AirTran exceeded expectations (AirTran Beats, 2007; Daykin 2007c; Midwest Air Warns, 2007). Hoeksema's (2007) public letter argued, "Midwest customers already enjoy low fares. Because Midwest's unit costs are comparable to those of low-cost carriers, we are able to offer both low fares and award-winning service." Hoeksema also noted that Midwest's plan to add flights as well as increase passenger capacity would bring "significantly greater growth in profitability" (Daykin, 2006b). He claimed that the board's long-term expansion plan promised more quantity as well as continued quality: "We're probably in the strongest position we've ever been in from a competitive point of view in terms of low cost and good service. . . . And that, I think, is the secret for success going forward" (Midwest CEO, 2007).

AirTran spokespeople could not point to an established track record of quality, in spite of VP Healy's defense of his airline as "far from no-frills" (Skiba, 2007). In April, AirTran President Fornaro implied that, in itself, his company's expansion (a quantity measure) indicated an acceptable quantity-quality balance: "Our revenue performance was better than expected and reflects a balancing of capacity in the marketplace as well as demand for our product" (AirTran Beats, 2007). AirTran again relied on the *locus* of the possible to claim that it *could* add more quality service features, *if* it acquired Midwest. Early in the struggle, CEO Leonard stated, "Together we can create a stronger, more competitive airline that offers more employment opportunities, a solid nationwide route network and exceptional customer service" (AirTran Unions, 2006). He speculated that AirTran "might adopt some of Midwest's service features, like the on-board meals from Mader's restaurant" (Daykin, 2006b). For many stakeholders, Midwest's warm chocolate chip cookies were the synecdochic emblem of that airline's overall quality, so they became a symbolic flag that AirTran tried to capture or at least neutralize (see Lank, 2007; Midwest CEO, 2007). In January, VP Hutcheson tried to persuade stakeholders that AirTran would take a hard look at Midwest and even learn from its customer service practices; he specified that AirTran would bake cookies on its flights should merger occur: "That's a distinctive hallmark of Midwest service and we have to keep it" (Fredrix, 2007).

While each side used the "both-and" bridging device, Midwest, which needed something more rhetorically given its vulnerability, also offered a more sophisticated view through the transcendent term "long-term value." When A and B are perceived as practically incompatible, as this struggle set up quality and quantity, transcendence can offer a viewpoint from which the two cease to be opposites. "When objects are not in a line, and you would have them in a line without moving them, you might put them into a line by shifting your angle of vision," wrote Burke (1984, p. 224). Transcendence is more than a rhetorical "both-and" move that leaves A and B intact and adds them together; the "all-important ingredient (what even the articulate French might be willing to call a *je ne sais* *quoi*) that makes all the difference between a true transcendence and the empty acquisition of the verbal paraphernalia" involves somehow blending the two to make a persuasive and subsuming third term (Burke, 1984, pp. 336-337; see also Olson, 1989). Midwest exercised this rhetorical option effectively.

By promoting "*true value*" as the transcendent term that subsumed and blended quantity and quality and acknowledged both direct and indirect stakeholders' interests, while simultaneously differentiating long-term and short-term perspectives, Midwest provided a complex way to see it remaining an independent airline as the better overall bet, even after its 2007 profit shortfall and the pro-AirTran vote in the board of directors' election. Midwest maintained that stakeholders, including but not limited to shareholders, would see "*greater value* [italics added]" and "better *long-term value* [italics added] by sticking with Midwest's own growth plan" (Daykin, 2007a, 2007b). In his public letter, Hoeksema (2007) explained,

> The Midwest plan is not only sound and achievable; it is in the best interests of those who live, work and travel in Milwaukee and Wisconsin. And it's because of the long-term value inherent in this plan that AirTran's offer does not reflect the true value of our airline to our shareholders, customers, employees and the community.

A June statement from Hoeksema elaborated, "It is all about value. . . . We believe the strategic initiatives, particularly those recently announced, will unlock value not reflected in the current share price or in the AirTran offer" (Daykin, 2007b). This tack allowed Midwest to discount "appearances" that AirTran was preferable even quantitatively and called stakeholders to look at a "truer" (i.e., more comprehensive, inclusive, and long-term) perspective on value, something that included both quality and quantity and multiple interests integrated in a more organic way than merely summing the accounting columns. This is how Midwest justified resisting the "common sense" June vote by shareholders as based on false appearances. The contrast in comprehensive perspectives is why stakeholders should side with Midwest and against change. Hoeksema argued: "The Midwest board of directors is fully committed to creating long-term value for Midwest shareholders, while AirTran's primary goal is to engage in an opportunistic transaction" (Hirschman, 2007c). After the directors' election, "Midwest proponents continue[d] to insist that AirTran's offer is less than the value of the company in the long term" and predicted that the new board members ultimately would be persuaded that rejecting AirTran's offer was the wiser decision (Hirschman, 2007b; Lank, 2007). Although AirTran's Hutcheson occasionally used the term "greater value," he treated it as a synonym for greater quantity alone (i.e., bigger profits for shareholders) rather than a nuanced synergy between quantity and quality (see Daykin, 2007). Transcendence to this richer understanding of "true value" helped Midwest resist AirTran's position, which sought to turn the "normal" or default or common into a proactively normative basis for decision (see Perelman & Olbrechts-Tyteca, 1969, p. 88).

Conclusion

The AirTran-Midwest case offers several lessons for rhetorical leaders in business during times of potential change. First, more than one *loci* may be at work in the arguments on either side of a controversy. In this case, the rhetoric involved not just quantity vs. quality or the possible vs. the existent but an interaction among the four. The resulting tangle required Midwest to use more sophisticated rhetorical attempts at transcendence to reconcile the tensions and justify its “uncommon” business position. Second, *loci* must evolve during the debate with relation to both the situation and the counter-arguments launched by one’s opposition. Midwest, for instance, needed to develop its transcendent term as the struggle developed and AirTran scored some victories. An argumentative position cannot be totally blocked out in advance but must remain dynamic and responsive to repeated change. Perelman and Olbrechts-Tyteca (1969) declared,

> The argumentative situation, which is essential in the choice of *loci*, embraces both the goal the speaker has set for himself and the arguments he may encounter. The two elements are actually closely connected; the desired goal, even when this is the initiation of a well-determined action, is simultaneously the alteration of certain convictions and the refutation of certain arguments, alteration and refutation, which are essential to starting the action. (p. 96)

A corollary to the need for an argumentative position to remain supple throughout a conflict is the lesson that the same *loci* do not necessarily pair well together across situations nor do audiences necessarily respond the same way to the same combination of *loci* in different situations. For example, Midwest fruitfully paired the *loci* of the existent with quality to resist change, though often the *loci* of the existent and quantity go together (e.g., when iterations of the already extant and the more common coincide), and quality is typically a strategy used by reformers rather than defenders of the status quo (Perelman & Olbrechts-Tyteca, 1969, pp. 89, 97). Careful analysis of the unfolding rhetorical situation rather than any enduring preferences of the advocates (e.g., for quality over quantity arguments or possible over existent arguments) must guide the dynamic development of *loci* and transcendence strategies in each unique case. Thorough rhetorical training can help one discern the possible effective combinations for a given situation.

Bibliography

Adams, M. (2007, June 14). AirTran tries to get 3 onto board at Midwest. *USA Today*. Retrieved June 8, 2007, from http://www.usatoday.com/travel/flights/2007-06-14-airtran-midwest-election_N.htm

AirTran beats expectations with $2.4M profit. (2007, April 25). *USA Today*. Retrieved June 18, 2007, from http://www.usatoday.com/travel/flights/2007-04-25-airtran-q1-profit_N.htm

AirTran unions support Midwest takeover. (2006, December 19). *MSN.Money*. Retrieved July 9, 2007, from http://news.moneycentral.msn.com/provider/providerarticle.aspx?feed=AP&Date=20061219&ID=6290676

Bar, B. (2007, February 26). N.Y. judge rebuffs request for shareholder records in airline takeover bid. *Law.com*. Retrieved July 9, 2007, from http://www.law.com/jsp/ihc/PubArticleIHC.jsp?id=1172224991235

Bauer-King, N. (2007, April 11). There’s no price tag on hometown loyalty. *JSOnline*. Retrieved June 26, 2007, from http://www.jsonline.com/story/index.aspx?id=590228

Burke, K. (1984). *Attitudes toward history* (3rd ed.). Berkeley: University of California Press.
Cox, J. R. (1982). The die is cast: Topical and ontological dimensions of the *locus* of the irreparable. *Quarterly Journal of Speech*, *68*, 227-239.
Daykin, T. (2006a, December 12). AirTran pursues Midwest takeover. *JSOnline.* Retrieved July 9, 2007, from http://www.jsonline.com/story/index.aspx?id=541176
Daykin, T. (2006b, December 15). Midwest pilots avoiding the fray. *JSOnline*. Retrieved June 26, 2007, from http://www.jsonline.com/story/index.aspx?id=542652
Daykin, T. (2007a, February 28). Reject takeover, letter implores. *JSOnline*. Retrieved June 26, 2007, from http://www.jsonline.com/story/index.aspx?id=571942
Daykin, T. (2007b, June 11). Both sides put best face on AirTran news. Retrieved June 18, 2007, from http://www.jsonline.com/story/index.aspx?id=617746
Daykin, T. (2007c, June 12). Midwest: Profit will fall short. *JSOnline*. Retrieved June18, 2007, from http://www.jsonline.com/story/index.aspx?id=618975
Fairhurst, G. T., & Sarr, R. A. (1996). *The art of framing: Managing the language of leadership*. San Francisco: Jossey-Bass.
Fredrix, E. (2007, January 21). Customers concerned over potential Midwest takeover. *Pantagraph.com.* Retrieved July 9, 2007, from http://www.pantagraph.com/articles/2007/01/21/money/122753.prt
Garcia, J. (2007, July 17). AirTran execs hope merger with Midwest will fly soon. *OrlandoSentinel.com*. Retrieved July 23, 2007, from http://www.orlandosentinel.com/business/custom/tourism/orl-airtran1707jul17,0,7678393.story
Hirschhorn, L., & Gilmore, T. (1992, May/June). The new boundaries of the "boundaryless" company. *Harvard Business Review,* 4–16.
Hirschman, D. (2007a, May 16). Key deadline today for AirTran bid. Retrieved January 8, 2008, from http://www.ajc.com/search/content/shared/money/stories/coxnews/2007/AIRTRAN_0516_COX.html
Hirschman, D. (2007b, May 18). AirTran wins vote, not battle. *Atlanta Journal-Constitution*. Retrieved January 8, 2008, from http://www.ajc.com/search/content/shared/money/stories/coxnews/2007/AIRTRAN_0518_COX.html
Hirschman, D. (2007c, June 5). AirTran's takeover bid endorsed. *Springfield News-Sun*. Retrieved July 9, 2007, from http://www.springfieldnewssun.com/biz/content/shared/money/stories/coxnews/2007/AIRTRAN_0605_COX.html
Hoeksema, T. E. (2007, March 10). Your hometown airline is here to stay. *JSOnline*. Retrieved June 26, 2007, from http://www.jsonline.com/story/index.aspx?id=575428
Lank, A. D. (2007, June 23). Directors' impact on Midwest unclear. *JSOnline*. Retrieved June 26, 2007, from http://www.jsonline.com/story/index.aspx?id=623673
Midwest Air warns on profit, cites weak fares. (2007, June 12). *Boston.com.* Retrieved July 9, 2007, from http://www.boston.com/business/articles/2007/06/12/midwest_air_warns_of_profit_shortfall_shares_down/
Midwest Airlines. (2007a, May 2). Frequent travelers oppose AirTran takeover of Midwest [Press release]. *ThomasNet Industrial Newsroom.* Retrieved July 9, 2007, from http://news.thomasnet.com/companystory/518630
Midwest Airlines. (2007b, May 9). Corporate travel planners support Midwest Airlines; Oppose takeover by AirTran [Press release]. *PRNewswire.* Retrieved July 9, 2007, from http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=109&STORY=/www/story/05-09-2007/0004585003&EDATE=
Midwest CEO: AirTran takeover would kill airline's charm. (2007, February 28). *USAToday.com*. Retrieved July 9, 2007, from http://www.usatoday.com/travel/flights/2007-02-28-midwest-fires-back-at-airtran_x.htm
Olson, K. M. (1989). The controversy over President Reagan's visit to Bitburg: Strategies of definition and redefinition. *Quarterly Journal of Speech, 75*, 129-151.
Olson, K. M. (2006). Educating rhetorical leaders. In P. Riley (Ed.), *Engaging argument* (pp. 532-538). Washington, DC: National Communication Association.

Perelman, Ch., & Olbrechts-Tyteca, L. (1969). *The new rhetoric: A treatise on argumentation* (J. Wilkinson & P. Weaver, Trans.). Notre Dame, IN: University of Notre Dame Press.
Reed, D. (2007, August 15). AirTran bids again for Midwest Air. *USA Today*, p. 3B.
Rovito, R. (2007a, June 14). AirTran moves closer to Midwest Airlines takeover. *Kansas City Business Journal*. Retrieved June 18, 2007, from http://www.bizjournals.com/kansascity/stories/2007/06/11/daily25.html
Rovito, R. (2007b, June 14). Midwest: Only 40 percent of total shares voted AirTran's way. *Business Journal of Milwaukee*. Retrieved July 23, 2007, from http://milwaukee.bizjournals.com/milwaukee/stories/2007/06/11/daily42.html
Sandler, L. (2006, December 13). Airport would survive, but service might suffer in buyout. *JSOnline*. Retrieved June 26, 2007, from http://www.jsonline.com/story/index.aspx?id=541962
Skiba, K. M. (2007, March 7). Kohl pushes anti-trust issue. *JSOnline*. Retrieved June 26, 2007, from http://www.jsonline.com/story/index.aspx?id=574879
Smircich, L., & Morgan, G. (1982). Leadership: The management of meaning. *Journal of Applied Behavioral Science, 18,* 257–273.

Biography
KATHRYN M. OLSON is Professor of Communication and Director of the Rhetorical Leadership Graduate Certificate/Concentration Program at University of Wisconsin – Milwaukee. Professor Olson has published more than 40 scholarly essays. Her numerous research awards include two National Communication Association Golden Monograph Awards and the Stanley L. Saxton Applied Research Award.