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CASE: Waco

## **Problem**

The main issue with Waco case is the implementation of the new tracking system. When a manager Saltz, was unhappy with the progress of one of her engineering manager Monk Barber. Saltz expressed the unhappiness to Barber due to the fact that the set of design for the composite-based product were delayed for an important project. Barber clarified to Saltz that he had regularly met with Telly Frank, Sherman McCoy, and Wanda Gogan, the three engineers appointed to the project. Barber also said that he tried to impress upon them the significance of this designs.

Saltz then took it upon herself to cope with Telly Frank, Sherman McCoy and Wanda Gogan. The three engineers stated that they did not know that the project was so important. They also did not have a meeting with Barber about this project. Saltz later described the situation to the plant manager, Shelly Tomaso. Shelly recommended that they develop the transceiver system and indicate what tacking information they could gather. The system shows Barber was not in the same room as the three other engineer. Saltz evidence proofs that Barber was not stating the truth, the dilemma in this case is if they should use the transceivers to track and monitor their employee's location at work or not.

## **Industry Competitive Analysis**

Mission Statement: The mission of Waco Manufacturing is to provide high quality automotive machine parts at the best price to the automotive industry.

## **Porter's Five Forces**

- 1. Threat of New Entrants:** High – Waco is an automotive manufacturing plant; their industry is making different automobile parts. Manufacturing plants are easy to develop

as long as they have the capital to purchase machinery to develop parts. In this case Waco should worry about the threats of new entrants because another manufacturing plant could overtake them if they start developing the same parts at a cheaper cost.

2. **Threat of Substitutes:** Low – The threat of substitutes for Waco is low because they assemble custom parts that required the special design development, Waco is one of the few that assemble design and makes custom automotive parts.
3. **Bargaining Power of Supplier:** Low – developing car parts does require raw materials, however Waco does not have issues with suppliers because they keep at low cost to make profit, Waco can also switch to a different supplier if needed.
4. **Bargaining Power of Customer:** High – Customers can decide to switch another manufacturing company if Waco does not satisfy them. Waco does not want to lose any customers as this could ruin their business, thus they must maintain their customers by being successful and delivery high quality products at low prices.
5. **Competitive Rivalry:** High – Waco's competition is high, rivalry in developing automotive parts will drive prices down, which could lower the cost of their parts and which will make them lose profit.

#### **Porter's Generic Strategy:**

Waco manufacturing strategy is differentiation, they manufacture custom automobile products based on the needs of the company's request thus differentiating themselves from other manufacturers.

#### **Stakeholders:**

**Shareholders:** They are the ones who invest their money on the company and have rights to receive dividends on their investment when there are profits, they also have the right to vote on important decision within the company, any positive or negative impact can impact them financially.

**Managers:** Waco managers have every right to personal privacy at their company and be able to managerial control over the lower employees, as long as they follow the company guidelines, Manager should have every right to use all resources available in order to carry out the responsibility they have as manager, including using the transceivers to track employees.

“Business ethics help ensure a good reputation for your company. Not only does it feel good to be part of a company with a great reputation, but it’s great for business.” (Charter College)

**Employees:** Waco employees have the right to have their own space and time, as long as they are not using company’s working time, they are the ones who have signed up for this and should follow companies’ guidelines closely when they are in Waco’s property, their action could result in the company success or failure.

**Customers:** are also a stakeholder in Waco, they rely on Waco machinery parts, if Waco productivity decreases or the quality goes down then customers satisfaction will decrease, and the company might lose them.

### **Alternatives and Impact on Stakeholders**

#### **1. Do Nothing**

Waco can decide to do nothing to Barber and continue to use the transceiver system, Managers could just go back to finish their tasks and get the design delivered to Saltz as soon as they can. Continue to use the transceiver this

could lead to risk of personal privacy issues throughout the organization, but this could help the managers get in touch with a certain employee when needed quicker. Employee tracking and monitoring systems serve other important purposes. “The main goals behind them are to prevent internal theft, examine employee productivity, ensure company resources are being used appropriately, and provide evidence for any potential litigation.” (Freedman) This approach can affect all shareholders in different ways. Shareholders will mostly likely be impacted on this depending on the productivity and the profit the company makes. Manager could benefit from this as they are able to track and see the progress of their employees. “Saltz is using the system to measure the performance of her employees” (Cash) Employee will not like this because they may feel as if the managers and shareholders do not trust them to do their own work, which could decrease their productivity. Customers would not be affected by this they will most likely continue to receive the same service they did.

## 2. Waco to fire Monk Barber for lying

This option means that Barber would be fired from Waco for lying to his Monique Saltz, Barber lied about talking to his three engineers that he said they were meeting and working on the design for the company. “Barber was saying he told his employees, when he really did not” (Morgan) Barber should have told been more responsible and told the truth about the project progress, integrity is a huge role in a company. Firing Barber will have some effects on the stakeholders, shareholders will not be affected by this. Managers will have to find a replacement. Employees will be affected by this, since system does have bugs and

glitches, what if an employee were telling the truth and got fired for a system error, so their trust to the company would decrease which will cause high turnover rate. Customers will not be affected by this they will continue to receive their products.

### 3. Employees to Sign Privacy Agreement contract

Having employees sign a privacy agreement and protects, and benefits, the managers, and shareholders from being in any legal trouble or even sued. “Every action that brings a company closer to its goal is productive.” (Goldratt). This agreement could also allow employees to understand that they are being tracked, how and when they are being tracked. This will have few impacts on the stakeholders, Shareholders and Managers will most likely be happy with this and agree to implement this solution as it could save them money from being sued. Employees might not like this because they will not feel comfortable at their job as they are legally allowed to be monitored and tracked while at work. Customers will not be affected by this.

### **Best Course of Action**

The best course of action would be making employees sign a privacy agreement on the contract. This contract will offer many benefits to the plant, and when employees sign it they state that they agree to being monitored and tracked while being on the company’s property. It is also ethically good, as it would be an evidence incase of any legal actions were to happen “Most often, organizational structure, rules, regulations, and procedures are viewed as rational instruments intended to aid task performance.” (Morgan). Being moral or not is the case for Waco, their goal is to make money, and will this help Waco? The answer will be yes, because

they will know which employee needs improvement, and management could act regarding this.

My second recommendation is do nothing Managers could just go back to completing their required tasks and get the design delivered to Saltz as soon as they can. Continue to use the transceiver this could lead to risk of personal privacy issues or legal issue if employees did not sign a contract regarding, this could still help the managers get in touch with a certain employee when needed quicker much quicker. My third alternative is for Waco to fire Monk Barber for lying. Barber lied about talking to his three engineers that he said they were meeting and working on the design for the company, I believe lying goes against companies' integrity "Leaders know that honesty and integrity are the foundations of leadership. Leaders stand up for what they believe in." (Tracy) Barber should have been more responsible and told the truth about the project progress, and integrity is a huge role in a every company or organization.

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