Jacob Ellis

Case 4 Waco

CIS410

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1. **Dilemma:** Is it ethical, moral, or legal for Waco to use transceivers to track their employee’s location at work?
2. **Role of IT:** The role of IT, for Waco, is security and information system that uses transceivers to track the location of each employee at all times. The transceivers use radio waves to transmit and receive signals from the employee badges to the signals implanted inside the building. (Cash)
3. **Critical Stakeholders and their rights:**
   1. **Employees** – Waco employees have the right to personal privacy at work as well as a fair and equal work environment. This means the employees have the right to have their own space and time when it is needed, as long as it is not on company time. The employees do not have complete privacy because what they do at work is, in fact, Waco’s property, which could be anything from Intellectual property to fully functional machine parts.
   2. **Managers** – Waco managers have the right to personal privacy at work as well as managerial control over the lower level employees as long as it pertains to the business of the company. The managers have a fiduciary responsibility to the company to ensure their employees follow all policies and procedures. The managers are encouraged to use any and all resources at their disposal in order to carry out these responsibilities, which could mean using the new security and information system for tracking employee’s location.
   3. **Shareholders –** Waco’s shareholders have the right to receive dividends on their investments as well the right to vote on important decisions within the company. The manufacturing business has low entrance barriers, high risk of substitutes, low consumer bargaining power and high competition, which means Waco inc. must continue to produce automotive products at a timely manner and high quality in order to stay in business (Porter’s forces). If the transceiver system were to negatively affect Waco’s operations then the shareholders would receive fewer returns on their investment. Since the shareholders make up the foundation of any company, they have a great deal of potential risk by using the tracking system.
   4. **Customers –** Waco inc. manufactures automotive parts, so their customers are any automotive company with the need to manufacture vehicles (Cash). The customers have the right to quality products and a reliable supplier. The customers rely on the products from Waco so if the new system reduces productivity or negatively affects the production of machine parts in any way then the customer satisfaction will decrease as well. If the effects of the system create a large enough disturbance to their customer’s revenue then the customers may choose to buy elsewhere, which negatively affects Waco’s bottom line.
4. **Alternative courses of action**
   1. **Do nothing –** If Waco decided to do nothing and continue to use the transceiver system, they inherit the risk of personal privacy issues throughout the organization. Since the system allows managers to see where employees are inside the building, the employees may feel as if it is inappropriate in certain locations. Also, employees may feel as if the managers and shareholders do not trust them to do their own work, which could decrease their productivity. On the other hand, the transceivers allow management to communicate with employees by calling the nearest phone to a particular employee, which could increase productivity and accountability. Although, the transceiver system only works if the employees are wearing the badge so if an employee did not want the managers to know he/she was in a specific location they could simply remove the badge and leave it at their desk. Although this may be against company policy it may be morally justifiable by each individual employee. Doing nothing could benefit managers because tracking employees work, in theory, at all times would give managers more control over projects, meetings, and work in general. The shareholders could benefit from increased work productivity if it could increase Waco’s profits. Increased productivity could increase customer satisfaction, assuming products were produced at a faster rate and high quality. Ethically, I believe this is a good decision because the system allows any employee to be reached at the nearest phone, which promotes productively and promptness. This could increase accountability in employees and ensure all employees attend crucial meetings or can be reached in case of an emergency. Morally, I believe this is right because the intention of the system is not to invade privacy; it is intended to increase Waco’s ability to make money now and in the future. Legally, Waco is not defying any legal standards so I believe it is a stable investment and smart decision to use the new system.
   2. **Have the employees sign a privacy agreement contract –** Having each employee sign a privacy agreement protects, and benefits, the managers and shareholders from being sued or attacked by the employees for invasion of privacy. Although the employees may not like the transceiver system, this contract would benefit them by informing them of all of the policies and legal provisions in accordance with the new system. A company privacy policy contract could potentially benefit the customers because it reduces the risk of potentially disgruntled employees, which reduces the chance Waco would stop producing quality products for the customers. Ethically, I believe this a very good decision for Waco because the cost of creating and storing this contract for each employee is lower than the potential cost of rehiring employees or any invasion of privacy lawsuits. Morally, I believe this is right because it protects both sides of the agreement. Legally, this is one of the best decisions Waco could make because the document would release them of almost all liabilities regarding the tracking of employee locations.
   3. **Be selective of where the tracking is enabled –** If Waco had the ability to control where the transceivers could send and receive signals then the employees could feel more comfortable using the tracking system. This could benefit the managers and shareholders because they can use the system for its intended purpose as well as controlling the risk of privacy issues. Areas such as the restroom could be disabled so when employees use those rooms they cannot be tracked or be contacted from any near by phones. I believe this is ethically good from the perspective of the employees because it could give them a sense of security. Although, from the manager’s and shareholder’s perspective it is ethically bad because it does not benefit Waco and could possibly increase the cost of the system if they had to create something to block signals in certain areas. I believe this is morally right for everyone because the majority of people like to feel their sense of privacy whether you are a manager or lower level employee. Also, as a shareholder it reduces the risk of employee privacy issues and losing money. As for the customers, it could increase employee attitude and productivity, which could create better products***.*** Legally, Waco is not doing anything dishonest so this decision is a plausible option.
5. **My normative recommendation:** My personal recommendation is having the employees sign a privacy agreement contract. This course of action provides the best result for each stakeholder and I believe a contract is ethically good, morally right and legally adept. Using an employee contract may increase the cost of training and employee on boarding although the increased productivity and accountability outweighs those costs. The system provides a great deal of benefits and creating a contract protects those benefits while minimizing the cost. My second recommendation is do nothing because the benefits of the transceiver system outweigh the potential costs. By doing nothing Waco risks that their employees may revolt against the new system and possibly leave the company. On the other hand, if all goes well, Waco receives the benefit of employee responsibility and responsiveness. This course of action is ethically good because it still benefits Waco’s bottom line; morally right because the system’s intention is to increase productivity, not to decrease employee privacy; legal acceptable because it is within the boundaries of the law. (Cash)My final recommendation is being selectivity where the transceivers are enabled because the extra precautions to the system could increase Waco’s costs. Executing this course of action increases the employee and manager’s benefit by increasing their privacy levels while using the transceiver system. This could reduce the potential cost from disgruntled employees although it could increase the cost of the system as a whole. Ethically I believe this is bad for Waco because it does not contribute to the organizational goals; morally I believe it is good because it considers the feelings and ideals of the human resources of the company; legally it is authorized because it is still within all legal boundaries to use the system.

**Works Cited**

Management of Information Systems by Professor Barker: Case 5-2 The incident of Waco Manufacturing

Porter’s five forces