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## horizontal line

CIS 410-50

Waco, Case 7

**Executive Summary**

Waco Manufacturing, who established a new IT system that incorporated positioning transceivers in the walls of one of its plants. These transceivers, effective of two-way transmission, were positioned roughly every twenty five feet and corresponded with badges worn by personnel. With the transceivers positioned this closely in conjunction, personnel’s activities could be tracked in real time. This authorized Waco to pinpoint personnel instantaneously to within a small interspace of their actual whereabouts.

“The development of a system of wage labor tends to be followed by increasingly strict and precise organization, close supervision, and increasingly standardized jobs. Skilled and semiskilled workers are increasingly replaced by cheaper unskilled workers, leading to what is sometimes described as “degradation” or “deskilling” of work and “homogenization” of the labor market The primary labor market is a market for career type jobs that are especially crucial or that call for a high degree of skill and detailed knowledge, often of a corporate-specific nature. This market has grown along with the proliferation of bureaucratic and technocratic enterprises whose members are enticed to work not only for money but for non-monetary reward such as job satisfaction, the promises of current advancement, and security of employment. Members of the primary labor market are usually deemed worthy of significant investment. They are regarded and treated as “corporate assets” or “human capital.” Such employees are expected to become committed and loyal The secondary labor market is a market for lower skilled and lower paid workers and offices, factories, and open or jobs who are more dispensable and more easily replaced. It calls for a little capital investment in the form of training and education, and workers can be hired and fired along with the batteries of the business cycle. This type of labor provides a “buffer” that allows organizations to expand output in good times and to contract in bad, leaving the organization’s operating core and elite primary labor force relatively unaffected. Increasingly, “secondary labor” is employed on a subcontracting basis. The existence of the two categories of labor gives an organization a great deal more control over its internal and external environment than it would otherwise have. The fact that primary workers are committed to the firm increase is the predictability of its internal operations, whereas the existence of the secondary buffer facilitates its general ability to adapt. However, this means of control creates a differential system of status and privilege within the organization that parallels and sustained broader class divisions outside.” (Morgan 302)

**Problem Description**

The security and information organization enabled Waco to know the whereabouts of all personnel at any given time. In September 1987, an incident occurred that would foster an interesting application of said system. In September 1987, Monk Barber (Area Manager) educated Monique Saltz (Plant-Engineering Manager) that she was despairing that a proposal was behind schedule. Saltz clarified that she had converged with three engineers (Sherman McCoy, Telly Frank, and Wanda Gogan) designated to the project yet they had not acknowledged her endeavor to stress the significance of the project. When Barber thereupon met with them, all three engineers protested that they had never met with Saltz to converse about the project. Barber then evaluated the plant documentation of personnel whereabouts as chronicled by the transceiver institution. The transceiver data showed that Saltz, McCoy, Frank, and Gogan had never existed in the same room at the same time. Barber now had verification that Saltz had deceived him. The predicament facing Waco is whether the use of the new system is ethical.

**Major Stakeholders**

Shareholders - These comprise all of the people who have financed Waco and anticipate returns on their expenditure. They possess the prerogative to collect dividends on their funding. They also have the prerogative to vote on crucial decrees that occur within the organization.

Managers - This involves all of the area and plant managers of Waco. Their authority is to oversee and lead their personnel. They have to guarantee that all personnel follow procedures and policies. The managers are motivated to use any and all materials in order to carry out their duty. This would incorporate the new security and information structure.

Employees - These encompass the engineers and plant workers. They have a duty to obey management verdicts and to execute tasks to the best of their capability.

**Industry Competitive Analysis and the Role of IT**

Porter’s Five Forces:

Competitive Rivalry - Medium: Waco implements a focus-differentiation strategy making threat of new entrants low but they are targeting a broad market in the auto industry. Consequently, medium level of competitive rivalry.

Threat of New Entrants - Low: New entrants would require outstanding financials to be able to manufacture custom machined auto parts to challenge with Waco.

Threat of Substitutes - Low: Waco supplies evolved products that have an enlarged value due to the custom creation of the products. This is not likely to be found in another market.he

Bargaining Power of Suppliers - Low: Waco could easily find alternative suppliers, their raw textiles are pretty common.

Bargaining Power of Customers - Medium: Customers have wide variety of alternatives with similar service. Unless Waco had commitment that bind consumers to Waco, they should try to keep their customers happy. There are few automobile businesses to sell.

“Historically, legitimate authority has been underpinned by one or more of three characteristics: charisma, tradition, or the rule of law. Charismatic authority arises when people respect the special qualities of an individual (*charisma* means “gift of grace”) and see those qualities as defining the right of the individual to act on their behalf. traditional authority arises when people respect the custom and practices of the past invest authority and those who symbolize in body these traditional values. Monarchs and others who rule because of some kind of inherited status acquire the right to rule through this kind of principle.” (Morgan 167)

**Alternative Courses of Action and Impact on Stakeholders**

Option #1: Do Nothing - If Barber and Tomaso pronounced to do nothing about the issue at hand, the organization as a whole could end up bear hardship. There is clearly some discordance between manager Monk Barber and the Engineers. While we have no context or framework about their present connection, we can assume there is a predicament. If the supervisors contravene this issue and let time go on, the project will most unequivocally miss its estimated deadline and will need an extension. This could lead to Saltz being fired in the end and could also put Barber and Tomaso’s positions and/jobs in endangerment in addition since they were knowledgeable of the issues and chose not to act to fix them. Comprehensively, this choice would be unfavorable for all involved.

Option #2: Confront Saltz about the project, not letting on knowing they didn’t meet with the engineers - If Tomaso and Barber decide to approach Saltz but not let her realize they traced her whereabouts with the badges, they would be maintaining the apparition that personnel are not being tracked. This would authorize them to deal with similar circumstances the same way hereafter and consistently allow upper management to have a decisive resource when it comes to situations like this. Saltz, notwithstanding, could contend that the engineers were dissimulating about the fact that she never talked to them. While Tomaso and Barber understand that this is not true, they would have no way of substantiating it unless they revealed the tracking. Nevertheless, this choice could allow the tracking structure to remain a secret from not only Saltz, but also the engineers and all other personnel as well.

Option #3: Fire Saltz - Being dishonest is customarily seen to be unsatisfactory under any conditions. If Tomaso and Barber conclude that Saltz needs to be terminated, they could end up having to demonstrate their evidence. Firing Saltz could put a lot of pressure on Tomaso and Barber to hire or promote someone. No matter what verdict they make about Saltz’s employment, McCoy, Frank and Gogan will still need to complete the project on time.

Option #4: Confront Saltz by telling about tracking her and reprimand accordingly - Tomaso and Barber could reveal the fact that Waco can trace personnel by telling Saltz that they have tracked her whereabouts to confirm that she has not converged with the other engineers. Nonetheless, there could be negative consequences that fall on management due to personnel potentially not aware that their badges were also functioning as a tracking gadget. Saltz will have not be able to rationalize if they do this and they can then determine to perform whatever consequence they deem fit but Tomaso and Barber could receive backlash from disgruntled employees.

**Normative Recommended Course of Action**

The best course of action in this case is to have confidence in the system and dismiss Saltz. In this case, the tracking system subsidizes what three other employees had to say. In order for Saltz to be in truthfulness, the system would have to be inaccurate and the three engineers would have to be dishonest. While feasible, it’s less likely. Doing nothing was the not best choice because it doesn’t hold anyone responsible for the project being late. Additionally, it wasn’t imperative to investigate the correctness of the tracking system. Three other employees reinforced the results. “Indeed, if we look closely, we find that their management principles often lie at the basis of many modern organizational problems… And understanding organization as a rational, technical process, mechanical imagery tends to underplay the human aspects of organization and to overlook the fact that the tasks facing organizations are often much more complex, uncertain, into the school than those that can be performed by most machines… Machines work well: (a) straightforward task to perform; (b) when the environment is stable enough to ensure that the products produced will be appropriate ones; (c) when one wishes to produce exactly the same product time and again; (d) when precision is at a premium; and (e) when the human “machine” parts are compliant and behaviors they have been designed to do. ” (Morgan 27)

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