

Case Report: Waco

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Mission Statement: Waco Manufacturing is a differentiation business strategy company in the automotive industry that manufactures custom-machined parts (Barker, 189).

Generic Business Strategy: Waco operates with a differentiation business strategy. With this strategy, quality, brand image, innovative technology, rapid delivery, and superior customer service are all means of achieving differentiation. In terms of Waco, the company produces custom-machined parts to the automotive industry based on customer specifications (Barker, 189).

Organizational Strategy: There is not enough information provided to determine Waco's organizational strategy.

Problem Statement: The main problem at Waco is the incorrect usage of controls, namely action and result controls. Managers create action controls to specify the behaviors and decisions that individuals and groups within organizations should do in order to achieve desirable outcomes (Barker, 61). Managers use result controls to compare anticipated performance to individual or organization performance (Barker, 61).

In Waco's case, the transceivers are an action control. These devices can receive and transmit radio signals, and were placed in the hallways in 25 foot increments. This technology allowed Waco to know the location of any employee because the transceivers communicated with any employee's ID badge. There are some issues with this system as an action control.

First, there is no outlined specific purpose for why this system is being used. For example, if the tracking system is supposed to encourage employees to stay at their desks, nothing is stopping an employee from leaving their badge on their desk all day as they get up

and move around. Additionally, there is no specification about who monitors the data that comes back from this system. Other than being able to call an employee on the phone anywhere in the building, it does not seem clear why they are using this technology.

Furthermore, communication policies and procedures is another action control that is not working to achieve the desirable outcomes that Waco wants. During the third quarter performance review, Monk Barber states that the three engineers have not responded to his stress of importance about a project. However, they all respond saying that they “had no idea of its importance”. Based on this encounter, it is clear that Monk Barber is not communicating effectively if three separate engineers did not understand the amount of emphasis he wanted them to place on this project.

In terms of results controls, at Waco, the primary one is quarterly performance reviews. Monique Saltz, area manager, communicated to Monk Barber, plant engineering manager that she was not satisfied with a project being behind schedule (Barker, 190). If the proper result controls are not in place, then the desirable outcomes Waco wants cannot be achieved. For example, this exchange happened during a third quarter performance review. By waiting until quarterly reviews to take action, there is significant time lost throughout the remainder of the year to address issues as they arise versus waiting until a specified time. If Saltz and other employees have no incentive to report issues sooner or via another channel besides the reviews, then they never will.

Stakeholders:

Customers: Waco's customers are the companies to which the automotive industry that Waco supplies its custom-machined parts.

Employees (non-managerial): The engineers presented in this example are stakeholders because they may have potentially been misbehaving, and were not caught due to the tracking system flaws. If the system did not catch them before, it could be discovered that they were not attending meetings and not working hard towards achieving goals for certain deadlines. In the latter case, they could be punished for misbehaving.

Employees (managerial): Employees like Monk Barber, who are in management positions, are stakeholders because similar to the non-managerial employees, and if misbehavior is discovered jobs and reputations are at stake. However, if it is a technical issue, these issues are easier to repair.

Transceiver system vendor: If the tracking system being used by Waco is found to be incorrectly installed or malfunctioning, the vendor could be held liable.

Suppliers: The suppliers to Waco are stakeholders because whether they deliver new supplies or not depends on whether the composite-based products plan for Waco in 1987 gets included in their plans to produce for Waco. This information will not be known unless management decides it is a priority and communicates this effectively to the suppliers.

Alternatives:

1. **Do Nothing:** In this scenario, Waco's company will remain and it will continue its current business process.
2. **Fire Monk Barber:** In this scenario, Monk Barber is replaced by someone who will make sure that projects remain on schedule and that communication is focused on throughout the life of any project.
3. **Define system use and data access:** In this scenario, Waco provides a clear definition for how the transceiver system fits into the organization, as well as who has access to the metadata it collects.

Impact on Stakeholders:

Do Nothing: By doing nothing, business will continue as usual. Employees who are not managers will continue to be inefficiently monitored via the transceivers, or important information may not be conveyed to them based on who their manager is and if they report to Monk Barber. The suppliers will not supply new materials for the project depending on if Barber is communicating with them or someone else is. Customers may see some of their orders arrive late based on how well the dissemination of important information and adherence to time limits the plant manager values, which is low. The system vendor may or may not be contacted for a while, so unless someone contacts them, the possibility of examining the system for faulty equipment is low as well.

Define system use and data access: If Waco defines the transceiver system use and data access, customers would ideally benefit from the fact that the employees at Waco are being

monitored to make sure they're maximizing their time to fill orders for customers. The supplier would benefit by being able to provide more technology if Waco wanted to upgrade certain features in the process of defining the system and wanting to create more concrete policies and procedures. Managers at Waco could use the improved system to make more informed business decisions by being able to predict how long certain tasks take, and how much time employees need to complete various tasks. Employees may not like the continued reliance on the transceiver system and feel like they are being monitored excessively and will now be expected to do more work since managers can estimate how long they are spending on certain tasks.

Fire Monk Barber: By firing Barber, the communication issues at the management level can be addressed. The other managers in the company could learn from his termination to see where they could improve in their own work to make sure they are not repeating the same undesirable behaviors. The non-managerial employees may feel more receptive to airing their concerns and grievances sooner in the future by witnessing change occur in this situation because of what another non-managerial employee said. The suppliers would potentially need to provide more parts depending on how the remaining management decides to utilize the transceiver technology – either keep it the same or add more functionality to it. Customers would hopefully see their orders completed on time now that a manager that was not time conscious is no longer there to allow projects and orders to be delayed.

Conclusion:

Fire Monk Barber: This solution gets rid of a major issue in this scenario at the source. Barber has communication issues, so it does not seem like a reasonable solution would be to only change the communication policies and procedures in the organization. While firing someone and replacing them is usually quite expensive, replacing Barber is more beneficial to the organization compared to setting up a detailed procedure and guidelines for the transceiver project. Doing nothing would allow Barber to keep his job, which would be a mistake for the company since he appears to have issues communicating and sticking to deadlines – both characteristics which do not make successful managers. Finally, there is the possibility that Barber lied to his boss about speaking with the three engineers like he was supposed to, since it was determined that the three engineers had not been in the same room together since the beginning of that year (Barker, 190).. If that is true, it is yet another reason to terminate Barber.

Works Cited

Case. *Management Information Systems*. 2015