

Waco

Case Evaluation 4

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Mission Statement

Waco is a manufacturing company in the automotive industry that specializes in supplying custom-machine parts. Although there is very little information given about the case, because they manufacture custom parts for the automotive industry, it can be inferred they operate on differentiation generic strategy. This strategy focuses on differentiating products based on the customers' needs, which will cause the customer to consistently return to their product. By making "custom-machine parts" (Barker 189), Waco differentiates their product based on the parts their customers' need. However, it cannot be inferred which organizational strategy Waco utilizes because there is not enough information given about the organization and its operations.

Porter's Five Forces**Competitive Rivalry**

Given the nature of the automotive industry and the fact that Waco develops custom-machined parts, the threat of competitive rivalry would be mild. Their competition would be any company that provides automotive parts and in a well-established industry such as automotive, there could be a mild range of competition. However, since Waco is a leading supplier in their field, they mitigate the risk of competition.

Threats of New Entrants

With the automotive industry being a well-established industry, the threat of new entrants would be low for an organization such as Waco. It would require a large amount of money and labor to begin a business to supply automotive parts, especially in an area with Waco as the supplier leader.

Threat of Substitutes

The threat of substitutes would also be low for Waco's field because they specialize in creating custom automotive parts. This type of product would be very difficult to find a substitute for as they are custom orders for the automotive machines.

Bargaining Power of Customers

Waco's customers would be anyone in the automotive industry looking to purchase parts for their machines. The bargaining power of the customer would be high because Waco creates these parts to fit the customers' needs.

Bargaining Power of Suppliers

Waco's suppliers would be anyone that supplies the raw materials for the machined parts, such as metal and steel. These types of suppliers would have a low bargaining power because these products are considered commodity items.

Problem Statement

The main problem facing Waco is that they have an employee that is lying to not only upper management, but also to the subordinates that he manages. As described in the incident within the case, Monk Barber is the plant engineering manager that has been ineffectively using his time and was behind schedule with a major project. When confronted about the situation, Barber stated he had "repeatedly met" with his three engineers and "have tried to impress upon them the importance of this set of designs" (Barker 190). However, based on an action controlled in place at Waco, a system that continuously tracks the location of each employee, Barber's manager was able to view the systems logs and discovered that they, Barber and his employees, "had never all been in the same room at the same time" (Barker 190) since the beginning of the year. Additionally, after speaking to the three engineers, it was discovered that Barber had never

discussed the composite designs and that “[they] had no idea of its importance” (Barker 190).

This causes a huge problem in the trust between employees and presents a problem for management to determine how to handle the situation.

An additional problem is that the current security and information system installed in the plant is not being fully utilized. The system is designed as an action control because its main objective is to monitor employees to ensure they are completing their designated objectives. Action controls are used in control systems to indicate the actions or decisions that employees should make to achieve a desirable outcome (Cash 61). However, there is no baseline data to help in comparison of employee’s behavior and is not being consistently monitored to improve performance. In the case, the system was only utilized in order to discover if the employees had every actually been in the same room as one another instead of monitoring the data monthly to see if the employees were meeting regularly to discuss the assigned project.

Stakeholders

Customers

The customers of Waco include companies within the automotive industry that require custom-machined parts for their products. There are no specific customers mentioned within the case but anyone in Waco’s area of business would be included in this and have a high stake in the business.

Executive and Managerial Team

The executive and managerial team of Waco would be any upper level management, specifically Monique Saltz who in the area manager for the plant and Monk Barber, the plant engineering manager (Barker 189). Saltz is responsible for assigning the project to Barber.

Other Employees

All other employees would be anyone working within the plant, specifically the engineers that report to Barber.

Shareholders

The shareholders are investors who own stock in Waco.

Solutions**Properly utilize the employee monitoring system**

In this solution, Waco would redesign the current implementation of the security system in order to increase the probability of desirable outcomes, which is the goal of a control system. The proper implementation of action controls helps specify the “decisions and behaviors that individuals” should take, such as specific job descriptions, policies, procedures and codes of conduct (Cash 61). These formal mechanisms, combined with informal methods such as socialization, will help Waco to utilize their current monitoring system more effectively. Currently, the monitoring is only being utilized after an incident has occurred, instead of evaluating employee’s actions and, more importantly, the results of their actions. By implementing this type of documentation to give each employee more structure regarding their job function. This will help to reinforce the monitoring system as an action control and allow for managers to better monitor employee performance. This will help to keep projects on track and hopefully prevent further employees from lying about job performance as well.

Perform an Investigation into Monk Barber

In this solution, Waco would further investigate Barber and fire the current engineering plant manager if found that he was lying. With only the evidence of the employee monitoring data and no further investigation taken, it would be hard to prove that Barber and his employees never

discussed the project together. However, if after gathering more evidence to support that Barber did lie, the solution would be to fire Barber immediately and begin hiring a new plant engineering manager. Hiring a new manager to replace him could take time and money, however. Nevertheless, more evidence gathering would have to occur before this decision could be made properly.

Do nothing

In this solution, Waco would do nothing to its current design of the plant or its operations and business would continue as normal.

Solutions Impact on Stakeholders

Solution 1

Customers

With better action controls, employees could be more effective because the monitoring system would allow employees to visually performance and help overall with evaluations within the work force. This could produce more efficiency in the workplace and create benefits for the customers, such as cost reduction, better product and timely delivery of products.

Executive and Managerial Team

The action controls will be developed by the executive and managerial teams, specifically the written policies and procedures and job descriptions. They will also have to take an active role in monitoring the security system, which will cause more work overall for this particular groups. This could create tension for the executives and managers and some, such as Barber, may not adapt to this time of change well.

Other Employees

The other employees, such as the engineers at the plant, will have a clearer understanding of what is expected of them and their overall job performance. This will help the employees to not only perform better, but could also add to their job satisfaction which would be a positive impact on this group. However, adjusting to this more structure working environment may present challenges at first.

Shareholders

The shareholders would be positively impacted by this solution because the action controls could help employees perform their jobs better, customer satisfaction could increase, and overall profits could increase as well. This would provide a positive outcome for the shareholders' investment.

Solution 2

Customers

Firing one employee would not have much of an impact on the customers because the overall procedures, products and the company's future would continue without the one employee.

Executive and Managerial Team

The executive and managerial team would have to go into further investigate to prove that Barber was lying and then, fire him based on poor performance. This would require extra work for the managerial staff and could lead to the project being delayed even more because they would have to hire a new engineering manager.

Other Employees

The other employees could be negatively affected by this solution as well for a variety of reasons. If Barber was not lying and there is a flaw in the system, firing him could lead to the

employees quitting and losing their jobs because they could not trust the upper management.

Alternatively, if Barber was lying and was fired, they would have no management to guide them and they would still have to complete the project in a timely manner.

Shareholders

The shareholders would not be affected by this solution because an investigation and firing of one bad employee would not impact the overall product of the organization.

Solution 3

Customers

This solution would have no effect on the customers as business would continue as normal and Waco would continue to be a supply leader.

Executive and Managerial Team

The management team would not be able to trust Barber in his position and the control system would not be utilize to its full potential. Business would continue as normal and Waco would continue to be a supply leader but they would not improve in any aspect of their business.

Other Employees

The other employees and engineers would not be able to trust Barber, much like the managerial team. Business would still continue as normal however.

Shareholders

The shareholders would not see an impact from this solution as long as business continued as normal.

Conclusion

The best solution based on the information given in the case would be to do nothing. By choosing this solution, none of the stakeholders would be impacted and Waco could continue to

be a supply leader within their industry. Ultimately, the problem facing Waco is the cannot trust one of their employees as he was tasked with completing a project within the year, was not able to meet the deadline and eventually lied to upper management, blaming the situation on his lower level employees. However, if upper management fired him without more evidence to support their claim, they could have employees becoming dissatisfied with their jobs and want to leave the company. Because it would be more costly to replace technical engineers then a manager, Waco should continue to let Barber work for the company until he lies again. This will prove that he cannot be trusted and will help the lower level employees to trust the upper level management.

Works Cited

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