Shivani Patel

CIS 410 - 01

Dr. Barker

Waco Case

04/04/2019

**Summary**

This case examines an incident at a fictional company Waco Manufacturing involving the ethical issue of employee monitoring. Waco Manufacturing is a leader in the industry of custom machined auto parts. In 1986 they installed a new security and information system in one of the plants that allowed them to track the location of their employees continuously while they were in the building. Transceivers that could transmit and receive radio signals were embedded in employee badges and every 25 feet in the corridors. This location tracking was so pervasive that even phone calls were automatically routed to the phone nearest to that employee at any given time. The new system supported continuous tracking of the location of each employee. Waco wanted to make sure that each employee was productive and staying on each task.

**Current situation**

In September 1987, Monique Saltz, the area manager, informed the plant engineer

manager, Monk Barber that she was unhappy with the new set of designs for the products in the

1987 plan. Barber explained that “I have repeatedly met with Sherman McCoy, Telly Frank, and

Wanda Gogan the three engineers assigned to this project. I have tried to impress upon them the

importance of this set of designs. They simply haven’t responded” (Barker, 2018).

So Saltz, met with all three of the engineers and they expressed that they had no idea this

project was so important. Wanda Gogan explained that she never met with Barber over the

composite design of the project. Monique decided to go to plant manager, Shelly Tomaso, about

the situation. Tomaso suggested that they go back and look at the transceivers. They noticed after

looking at the transceivers there was something that didn’t seem right about the situation. Shelly

and Monique found that Barber, McCoy, Frank, and Gogan had never all been in the same room

since the beginning of 1987.

**Problem**

The records show that Barber was never in the same room with the three engineers. If the system is functioning correctly then it provides evidence that Barber lied about repeatedly meeting with the engineers about the project. This creates an ethical dilemma though. Can they hold Barber accountable based on the monitoring information? Do they have the right to make firing or disciplinary decisions based o this data? According to author James Cash, “new technologies give rise to new forms of supervision and performance control” (Cash). Based on the premise that monitoring is just a new tool that can be used by managers and supervisors, it seems ethical to use it in this way.

**Industry Competitive Analysis**

**Mission Statement:**

The mission of Waco Manufacturing is to provide the best quality custom machine parts

to the automotive industry.

**Porter’s 5 Forces**

Five Forces is a model that identifies and analyzes five competitive forces that shape every industry and helps determine an industry&#39;s weaknesses and strengths.” (Investopedia.)

1. **Threat of New Entrants:** The threat of new entrants for Waco’s field is high. Waco is in the field of creating different parts necessary for the automobile industry. There could be companies that become more reliable compared to Waco and create the parts for a cheaper cost. Waco should worry because there are entrants that might overtake them if they don’t decide to get their issues resolved and push out the new custom parts that most car companies need for their 1987 models.
2. **Threat of Substitutes:** The threat of substitutes in Waco’s line of expertise is high as well. There are many different companies that would rather take over as the top company for parts. Waco needs to be careful of the different substitutes that are out there and will take control if Waco doesn’t produce.
3. **Supplier Power**: The supplier power is very low. Waco doesn’t have a problem with any of their suppliers because they keep at low cost to make a decent profit. Waco can easily find another supplier for the pieces needed to make their custom automobile parts. Waco doesn’t have to worry about the supplier power.
4. **Power of Customers**: The power of customers is very high for Waco. Customers can make or break a company based on their decisions. Waco can’t afford to lose many customers because they are at the top of the industry due in large part to their customer base. Waco wants to continue to be successful, so their customers play a vital role in Waco’s business practices and business strategy.
5. **Degree of Rivalry**: The degree of rivalry is high because Waco has a lot of different entrants into their market. The competition will drive down the prices and could cost Waco to sell certain products lower than cost and cause them to lose money.

**Stakeholders**

A stakeholder is “a person, group or organization that has interest or concern in an organization” (Business Dictionary 2018). Waco has a couple of stakeholders when it comes to their company and below are a few of their stakeholders and why they are categorized as one.

The stakeholders in this case were Monique Saltz, Monk Barber, the three engineers and

the Waco employees. Monique was a stakeholder because she needed to find out the truth about why the project was running behind schedule. Monk Barber was a stakeholder because his job could have been at risk if it was determined that he mismanaged the project and then lied about it to shift the blame away from himself. The three engineers were stakeholders because they were blamed for the project being behind schedule and they could have been held accountable for something that they didn’t know was a priority project. The employees were stakeholders because the decision that was made regarding the ethical implications of using monitoring data when making firing or punitive decisions is likely to set a standard that will affect all employees.

**Alternatives and Impact on Stakeholders**

There are many different solutions to this problem that Waco is facing with their manager, Monk Barber, who was lying to one of the employees about the meeting of engineers on the project. Here are some of the solutions to the problem that Waco is facing.

The first thing that Waco can do with Monk Barber is do nothing. Monique Saltz and Shelly Tomaso were the ones who figured out the lie that Monk Barber told to Monique. The do- nothing approach affects all the stakeholders involved in this case. Barber could have met with the engineers. The system could have some technical glitches which caused it to look like Barber didn’t meet with the engineers. This approach may affect Monique, Shelly, and other employees in a negative capacity.

The second thing that Waco can do with Monk Barber is to fire him for lying to his employee Monique Saltz. Author Morgan says, “Any phenomenon implies and generates its opposite. Day and night, hot and cold, good and evil, life and death, positive and negative are pairs of self-defining opposites. In each case, the existence of one side depends on the existence of the other” (Morgan). He should have understood his responsibilities before lying to his employee which could have a profound effect upon the company. Most employees come to their managers to get reassurance on a project and not get lied to that the project isn’t going well because their engineers didn’t respond to the situation. Author C.S Lewis once said, “Integrity is doing the right thing, even when no one is watching” (Lewis, 2018). Monk Barber didn’t answer his employee with the integrity that managers should have toward their employees. Waco might decide to fire Monk Barber after this situation which would appeal to their stakeholders.

The third alternative is having 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 unhappy 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.

**Effects on the stakeholders**

1. **Do nothing:**

Monique Saltz: Monique will not go to Monk Barber anymore to voice her concerns about any project that Waco will decide to push out. She will go directly to the engineers of the projects because she won’t trust what Monk has to say about the project. Monique doesn’t want to do anything because she could lose her job if something doesn’t get a turnaround. The do-nothing will negatively affect Monique Saltz.  
 Monk Barber: Monk Barber will continue to work for Waco with him knowing that he hadn’t met with the engineers on the projects. Monk’s integrity will be in question because the logs show that he didn’t meet with any of the engineers. The do-nothing approach will affect Monk Barber in more ways than one.  
 Employees: The do-nothing approach will cause employees to uproar if Monique decides to share the information she learned with Shelly. Employees might decide to quit or throw a fit that management isn’t doing their job correctly. The morale of employees might decrease as well knowing they are working hard for management that isn’t caring about their opinions. Employees will be affected by this decision.

1. **Fire Barber:** Monique Saltz: Monique will feel better knowing that she doesn’t have to deal with someone lying to her about meeting with the engineers. She brought this to upper management after she met with the engineers about this. Shelly Tomaso wanted to do further research and found that Monk Barber hadn’t met with the engineers. Monique caught Monk Barber in this lie and this information that Monk Barber shouldn’t have lied about this to his employee.  
    Monk Barber: Philosopher Baltasar Gracián, once said: “A single lie destroys a whole reputation of integrity” (Gracian, 2018). Barber shouldn’t have lied to his employee Monique about the project status since it could affect the direction the company is going in. Monk must understand his responsibilities better or he might not find another job because he clearly didn’t manage his employees with the proper integrity required to be in management.

Employees: The employees directly under the direction of Monk Barber will be affected because they will not have a boss anymore due to him lying. Other employees will begin to look at other management for direction when Monk Barber is gone. The employees can be positive or negatively affected by the firing of Monk Barber.

**Best Course of Action**

I would recommend 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 onboarding although the increased productivity and accountability outweigh those costs. The system provides many benefits and creating a contract protects those benefits while minimizing the cost. My second recommendation is to 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; legally acceptable because it is within the boundaries of the law (Cash).

**Citations:**

1. Barker, R. (2018). Computer Information Systems. Louisville.
2. Business Dictonary. (2018, September 9). Business Dictonary. Retrieved from Business Dictionary: <http://www.businessdictionary.com/definition/stakeholder.html>
3. Cash, James I et al. Corporate Information Systems Management. McGraw-Hill Companies, Inc. 1999.
4. Gracian, B. (2018, November 12). Quotes about Integrity. Retrieved from Brainy Quote:

<https://www.brainyquote.com/quotes/baltasar_gracian_141474?src=t_integrity>

1. Lewis, C. (2018, November 12). Quotes About Integrity. Retrieved from AZ Quotes: <https://www.azquotes.com/quotes/topics/integrity.html>
2. Management of Information Systems by Professor Barker: Case 5-2 The incident of Waco Manufacturing
3. Morgan, Gareth. Images of Organizations. SAGE publications, CA, 1986
4. “Porter’s Five Forces.” Investopedia. Web.