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Case 7: Waco

CIS 410-50

04/10/2021

**Problem**

Waco is a suppler for automotive parts. They installed a new security system which had transceivers which tracks the badges that are worn by employees. Monique Saltz is an area manager and she informed Monk barber, a plant engineer manager that she wasn’t happy with the designs for the product. Barber then tells Saltz that he has tried to contact other employees for this issue, but one has given him a straight answer. Saltz check his record of location and he finds that he hasn’t met anyone. So Saltz figures out that Barber is lying to him and blaming his mistake on everyone else. Now the problem is that is it morally right to track the employee’s location at all times.

**Industry Competitive Analysis (ICA)**

**Mission Statement**

The mission for Waco is to provide custom-made automotive parts with best price and quality in a competitive market.

**Porter’s Five Forces**

**Bargaining Power of Customers:** High

Customers have high bargaining power because if the customers aren’t getting good pricing and good quality products then they could start buying it from other suppliers. And if big car manufacturer stops buying parts from them then those parts would become useless as they are specifically designed for those cars.

**Bargaining Power of Suppliers:** Low

Suppliers had a really low bargaining power because there are many suppliers for basic raw materials such as metal, machines, and other resources.

**Threat of new entry:** Low

The threat of new entry is low because it’s not easy to enter into this business field because there are a lot of barrier that a startup has to pass for them to survive. *“The barriers refer to the existence of high costs or obstacles that can deter new competitors from entering the industry.”* **(CoporateFinanceInstitute)**. You need big investment to start this kind of company because you would have to buy expensive machinery and software to design the parts.

**Threat of substitutes:** High

The threat of substitute is high because if customers aren’t happy with their service then they other company could steal its customers away from them. But if they keep their services top notch then the customers wouldn’t have any reason to change them.

**Competition:** High

The threat of competition is high. The competition is high because there are many custom parts manufacturers in the market, so they have to be very competitive if they want to stay on the top of everyone. If their prices aren’t competitive then other company could give better prices for the same parts as Waco and steal all of its customers.

**Stockholder Analysis**

There are different stakeholders in the Waco.

**Managers** – There are multiple managers at Waco such as different area managers and plant managers. They are responsible to ensure the company is going in the right direction. And also make sure that all of the rules are followed correctly.

**Employees** – There are different kind of employees such as engineers and plant workers. The employees are the most important asset for a company. Good employees would eventually make the company very successful. They are required to follow the managers.

**Shareholders** – Shareholders of Waco also have a large in stake in the company and they would want the company to succeed so they could profit off of it. The shareholders are all the people who have invested their money in the company.

**Solution Alternatives**

There are multiple solutions for this problem. Regardless, the main goal for the company is to maximize profit, increasing efficiency, and get a great return on investment. I have three different solutions for this problem.

**Alternative 1 :** Do nothing

One of the solutions is to do nothing. This solution would mean to just do nothing and continue to monitor the employee without their permission. Continuing to monitor wouldn’t be a problem as long as the employees don’t find out that they are being tracked. If they find out, then some of the employees could take legal action against Waco for monitoring them without their permission.” When an employee sues an employer for unlawful monitoring, it usually goes to court as a generic invasion-of-privacy claim.” **(Yakowicz)**. *“The effort involved in taking action could be more work than sorting it out if the problem did occur. You have to weigh up whether it is really worth investing time and effort in moving forward with a solution when the alternative is to sit tight and carry on as you are.”* **(Account)**

**Stakeholder Consequences:**

Employees – Employees would not benefit from this solution because they might be tracked without their permission and it would invade their privacy.

Shareholder – Shareholders would also not benefit from this solution because if employees find out then they could bring the company in a lawsuit.

Managers– Managers would benefit from this solution because they would be able to track the employee’s location and find out if they are doing their job right or not.

**Alternative 2**: Continue using security system but have employees sign privacy agreement

Another solution would be to continue monitoring the location of the employees but have the employees sign a privacy agreement to ensure that there aren’t any legal issues. This agreement would say that the employees give them permission to track their location so they wouldn’t be involved in any lawsuit. “When employees know that their location is [being tracked](https://www.timesheets.com/blog/2019/08/is-it-legal-to-track-employees-using-gps/), they are more likely to follow the rules.”**(Emch)**

**Stakeholder Consequences:**

Employees – This solution wouldn’t affect them much. They just have to give them permission to track their location and they could continue doing their work as they have been.

Shareholder – This decision would benefit the shareholders because the company wouldn’t face a possible lawsuit.

Managers – This solution would benefit managers because they could still track employee’s location and worry about them finding out and facing a lawsuit.

**Alternative 3**: Stop using the security system

The final solution would be to stop using the security system and don’t track the employee’s location. This wouldn’t benefit Waco as well as other solutions because if managers don’t track their employees then they won’t know if they are lying or not. Managers also wouldn’t know if the employees are doing their job or just playing around. This could cause Waco to lose lot of money and they could also lose some business

**Stakeholder Consequences:**

Employees – Employees wouldn’t be affected with this solution

Shareholder – This solution wouldn’t benefit the shareholder because if the employees don’t do their job right then the company could face some loss.

Managers – Managers also wouldn’t benefit from this solution because they can’t track the location of their employees

**Recommendation**

My recommendation for Waco is to continue monitoring the location of the employees but have the employees sign a privacy agreement to ensure that there aren’t any legal issues. “it’s so pivotal for any company to be transparent with employees about any intention to begin monitoring them.” **( Berzinya)** Using this security system have many benefits for the company. Some of them are that they could track and contact the employees from anywhere in the building. They could also ensure that their employees are doing what they are asked to do and not wasting their time. Using this security system is an ethical decision for Waco because they are just trying to make sure that their employees are doing what they are told.

**Rejected alternatives**

Doing nothing and continue to use the security system is a bad choice because if employees find out about it then Waco could face a lawsuit which would cost them a lot of money. So it would be better to get their permission before hand.

Stopping the use of security system would not benefit Waco in any way. If they stop using this system, then they won’t if their employees are doing what they are asked to do. They also wouldn’t be able to contact them from any place without having to call at an office number.

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