

Waco

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Executive Summary

In 1986 Waco Manufacturing installed a new security system to track its employees. This system involved installing transceivers embedded within the walls of one of Waco's manufacturing facilities. These transceivers were positioned every 25 feet and allowed for tracking of employees via the embedded chip in their badges. This system has a number of interesting applications for Waco such as routing phone calls for a particular employee to the phone closest to them. However, the system had another very broad application. Because of the close proximity of transceivers, the security system allowed for the tracking and documentation of the location of every employee at any given time. This type of tracking was potentially called into question because of a situation involving a behind schedule and low quality set of composite based product being designed at Waco in September of 1987.

Industry Competition Analysis

Waco Mission

Waco's mission is to provide custom-machined automotive parts of the highest quality and best price.

Waco Strategy

Waco's generic strategy is differentiation. They make custom-machined automotive parts which sets them apart from others in the industry that make automotive parts.

Waco Organizational Structure

Waco's organization structure is functional.

Waco Competitors

Supplier Power

High. Waco is a manufacturing company which relies on suppliers of metals and composite materials for its business. Without these suppliers Waco has no business.

Buyer Power

High. Buyers of Waco make order for custom parts specifically for their applications. Without these buyers Waco has no business.

Threat of Substitution

High. Waco is not the only manufacturer of auto parts. While it is an industry leader if customers become dissatisfied with Waco's offerings they can move to another established firm in the market.

Threat of New Entry

Low. Waco is in the business of custom parts manufacturing. These custom parts required highly specialized equipment and skilled personnel to operate. These factors tend to make barriers to entry high which leads to a low threat of entry

The Problem

Monique Saltz, a manager at Waco, is unhappy with the development of a new composite based product. Saltz spoke with plant engineering manager Monk Barber who claimed that he had attempted to explain to each of the engineers assigned to the project the importance of it. Saltz then met with the 3 engineers, Sherman McCoy, Telly Frank, and Wanda Gogan, who claimed stated that they had never met with Barber about the project at all. Saltz then utilized Waco's new security system to track the 4 employees and found that, according to the system, the

employees in question had never been in the same room at the same time. Saltz is now faced with an interesting ethical dilemma. Is it ethical for Waco to continue to monitor its employees without their knowledge? The case with Barber clearly demonstrated the power of the new system but do the benefits outweigh the costs?

Stakeholders

Waco Employees: The likely subjects of the monitoring who are the general employees of the plant not including management themselves.

Waco Managers: Managers are tasked with ensuring that employees follow company policies and procedures. They are also responsible for maintaining productivity among the workforce

Waco Stakeholders: Suppliers and Customers of Waco who rely on Waco products for their businesses as well as any shareholders or investors that make have a stake in the company.

Solutions

Solution 1 Do Nothing

This solution will see Waco continue to monitor its employees without their knowledge.

Managers will assess employee performance using measures not currently known to employees.

Waco employees may feel uncomfortable with this aggressive monitoring if it's found out. Waco managers would likely spend a large part of their work time tracking employees. Waco stakeholders or shareholders are not likely to be affected by this choice. However there is a risk of legal action if Waco employees find out they are being tracked in this aggressive manner.

Solution 2 Create a privacy agreement

This solution will make employees aware of the tracking capabilities of the system. Some employees will feel uncomfortable with this type of monitoring. However a legal agreement on how the monitoring can be used may help to assuage employee fears. This action would also help prevent a privacy lawsuit from taking place. Waco managers will have limitation on their ability to monitor employees but the effect is unlikely to be largely detrimental.

Solution 3 Stop using the system

This solution would see Waco discontinue using the new system. Waco employees would no longer be monitored and managers would no longer be able to monitor them as effectively. This will also cause Waco to lose all the value of the system it installed as it would no longer be used. Waco stakeholder would likely be effected very little by this action.

Proposed Solution

My proposed solution is to create a privacy agreement outlining how employees are monitored and detailing how the system will be used to discipline employees. This solution allows Waco to continue to get value out of the new security system without running the risk of lawsuit or other employee action that may arise from the monitoring system. "... the biggest obstacle to the success of any project is management itself." (Adams). This solution will limit how the system will be used in way that is most amicable to both managers and employees in order to maintain employee satisfaction and productivity. "Every action that brings a company closer to its goal is productive." (Goldratt). This also allows for Waco employees to be contacted wherever they are in the facility which helps productivity. "Most often, organizational structure, rules, regulations, and procedures are viewed as rational instruments intended to aid task performance." (Morgan). The goal of Waco is to create automotive parts of the highest quality and best price. This system

allows for Waco to do this and the agreement will insulate Waco from any potential legal issues that may arise. According to Morgan: “whoever uses machines does all his work like a machine....he who does his work like a machine grows a heart like a machine...” (Morgan). Organizations are amoral and are not concerned with the moral question of this system.

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