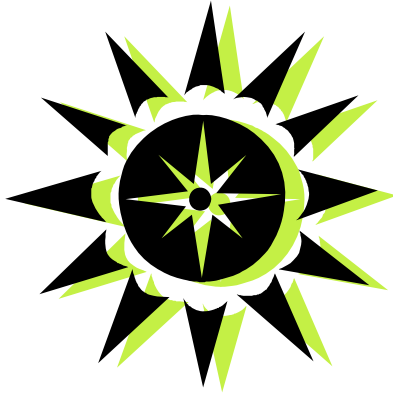


MarTech Consulting: An Awakening Problem?



Stage 1:

MarTech provides IT expertise to companies in the greater Delaware area. Employees work in companies across the United States.

To ensure that a client has continuous network service, MarTech provides overnight network supervision. A consultant reports to the site around 8pm and works until the retailer's shift reports the next morning. The consultant's primary responsibility is to prevent server outages. If an outage does occur, the consultant's job is to minimize server downtime. Server outages can result from

hacker attacks or hardware failure, but the most common source is a spike in customer visits to the website. A vigilant consultant can transfer the load to other servers if he notices that the main server is being overly taxed.

Server outages were occurring at an unusually high rate at one MarTech customer, which sells athletic equipment through its website. Server outages are especially troublesome for online retailers: if the server is down, the retailer's store is effectively "closed." Dennis, the retailer's IT Director, voiced his concern to Marsha, MarTech's Director of Managed Services. Dennis pointed out that the time to restore network services was unacceptable and below the contracted standard of fifteen minutes. He suspected that Steve, the overnight consultant, was sleeping instead of monitoring the systems. He had no proof, but the typical outage length had been 45 minutes since Steve had taken over from the previous MarTech employee. One especially expensive incident had lasted two hours.

Marsha called Steve at work that evening to discuss the situation. Steve acknowledged that restoring the network was taking more time than usual. He said he had informed Dennis that the outages may have been caused by a faulty network router, which he had just replaced. To help satisfy the customer, he had performed the job at no charge. In his opinion, the recent marketing blitz by the retailer—combined with the faulty router—had caused the problem. He assured her that he was taking all possible steps to ensure network service was restored in a timely manner.

Marsha waited a few weeks to follow up on the problem. Dennis acknowledged that the outages had subsided somewhat, but were still occurring at 2-3 per week. Outages were especially common on Mondays—an especially high-traffic day for the company. He argued that the average time to restore network service was still too long, however (35 minutes). Dennis demanded that something be done, or his company would drop MarTech.

Discussion Questions

1. (Work individually). Assume you are Marsha. What information do you know? What information do you need to know? How can you get this information?
2. (Work as a team). Discuss your suggestions for Marsha. As a team, come to a consensus on what Marsha should do next. Should she confront Steve? What should she tell Dennis?
3. Write up your recommendations in the form of a business memo addressed to Marsha.

Stage 2:

Marsha discusses the situation with Alan, the MarTech employee who trained Steve. Marsha asked Alan if he ever saw Steve sleeping on the job:

"When I was training him, I was with him the whole time, so no. During the transition period, however, I would come in toward the end of the shift to see if anything had happened overnight. The computer room is secured and is enclosed with glass walls. I could see him to some extent, but his back was to me, and he was reclining in Dennis' chair, which has a high back. A couple of times, yeah, I thought it looked like he might be sleeping. When I hit the security buzzer, however, he immediately jumped up and let me in. I once asked him about it, but he just laughed and said he was just relaxing and listening to music. Look, this is all confidential, right?"

On the next Monday evening, Marsha drives out to the client's site right before Steve's shift. She informs Dennis that she is there to determine "whether or not Steve is doing his job."

After Dennis admits Marsha to the computer room and leaves for the day, Marsha takes a small video camera from her purse and hides it in the bookshelf next to Dennis' chair. She turns it on and leaves.

Discussion Questions

1. (Work Individually). Consider the stockholder, stakeholder, and social contract theories of ethics. From your perspective, are Marsha's actions "ethical"? Why or why not?
2. As a team, come to a consensus on Marsha's actions.
3. Assume Marsha plays back the video and determines that Steve indeed spends the majority of the shift sleeping in the chair. What should she do?

MarTech Consulting Teaching Notes

Theories of Ethics (from Pearlson and Saunders)

Stockholder theory. Management's ethical duty is toward the stockholders. Management's responsibility is to use its resources in a manner that maximizes profits and returns to the owners of the corporation. This responsibility is qualified in two ways:

- Management is bound to use legal and nonfraudulent means
- Management must favor a long-term view of stockholder interest over a short term view

Stakeholder theory. Management is bound to the stockholders of the company, but also has a fiduciary responsibility to all who have a stake or claim to the firm. A stakeholder is "any group that vitally affects the survival and success of the corporation, or whose interests the corporation vitally affects" (p. 199). Stakeholders might include:

- Customers
- Employees
- Suppliers
- Local community

Stakeholder theory states that corporations must balance the rights of all stakeholders when evaluating the ethics of a decision. They must also be careful not to impinge on the rights of any one stakeholder.

Social Contract Theory. Social contract theory states that a corporation must strive to create more value to society than it consumes. In short, corporations must create value for consumers and for its employees, and the decisions made must reflect a movement toward that value creation. Profits are of less a concern than improvement of society and basic tenets of fairness and justice.

Notes on the Stages

Stage 1:

Marsha knows

- Customer is not happy and may drop MarTech
- There is a problem at the client site
- Faulty or inadequate hardware may be contributing to the problem

Marsha doesn't know

- Is Steve sleeping?
- Steve's past performance record
- Has Steve been adequately trained?
- Is the slow response time a result of poor or inadequate training?
- Is the client's server adequate to handle the level of customer response?

Stage 2:

Thought Question 1: Do you fire Steve?

- If the evidence only comes from the video recorder, you should not terminate. Instead, put policies in place that make it clear another incident will result in termination.
- If Alan is willing to state that he did see Steve sleeping, then terminate based on Alan's word
- Ask Steve if he has ever slept on the job. Sometimes employees will be honest. In that case, terminate based on the admission.

Thought Question 2: Is Alan's silence a problem?

- Alan contributed to the problem by not relaying his concerns to Marsha
- Company may actually terminate if Steve was actually sleeping on the job.
- How might your decision to discipline/fire Alan be different if Alan were Steve's boss? (Alan then has a clear responsibility to report or discipline Steve. Situation is a clearer discipline problem).

Thought Question 3: Do you discipline Marsha?

- If the video recorder action resulted from ignorance, then there is a problem and she should be disciplined.
- If a policy is in place that she knowingly violated, you might terminate.