

New York City Cabbies Strike Over New Information System

New York City's Taxi & Limousine Commission has mandated that all licensed city cab owners install new information systems in their cabs. The new state-of-the-art system connects the cabs to a wireless data network. The new system will not be used for dispatching cabs (most New York

City cabs are hailed from the curb) but will provide text messages informing cabbies of nearby opportunities. It includes global positioning system technology that provides an interactive map that passengers can use to see their current location, destination, and routes. The new system will allow customers to pay via credit card, and will provide music and other forms of entertainment. The system also automates the process of keeping business records of fares and trips and spits out receipts for customers; cabbies will no longer need to maintain records with pencil and paper.

Sounds like a win-win situation, right? Many of the cabbies don't agree. They are concerned that the GPS system will track their movements after hours. About 85 percent of New York City cabbies are independent contractors who own their cab and use it for their personal transportation while off duty. They are also upset about the \$1,300 that they need to pay for the system and a five percent required fee for every credit card transaction made by their customers. Mostly, they are upset that they were not a part of the decision and design process that led to the citywide mandate. In a headline-making move, the New York Taxi Workers Alliance, which represents 10,000 of the city's 13,000 cabbies, called a two-day strike to pressure the city to rethink its new system.

Unfortunately, the strike had little effect as many cabbies stayed on duty, unable to afford the time off of work.

The city is moving forward with the deployment of the new cab information system. It has justified the expense to the cab drivers by pointing out the increase of cab fares over the past two years that doubled driver wages to \$28 an hour on average; an increase that was imposed with promises to customers for better service and in-cab technologies.

New York City's Taxi & Limousine Commission versus the New York Taxi Workers Alliance provides several lessons about business interactions and information systems. Today's businesses have an incredible amount of pressure on them to implement the latest and smartest technologies and information systems. Often it is a business's information system that gives a business an important advantage over its competition. The City of New York no doubt feels pressure to provide visitors and locals with high-quality service and smooth running transportation systems. If it fails in this regard, visitors and locals may begin to find other cities more attractive to visit and reside in. Information systems also allow businesses to operate more efficiently and effectively. The new system for New York City cabs ultimately saves drivers and passengers time and energy.

Finally, this story illustrates a resistance to change that is often experienced when implementing sweeping new information systems in large businesses and organizations. Many businesses today are revamping entire corporate systems and investing in retraining employees and winning them over to the new system. This is an integral and challenging part of new system implementation. So should you visit New York City anytime soon, and experience the cool technology built into the cabs, remember the struggle that went into bringing this new system to life, and give your driver a generous tip.