

Asian Case Research Journal

American Electronics Limited

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Case Writing and Case Teaching in the Asia-Pacific Region:

Issues and Challenges

Lau Geok Theng and Ling Sing Chee



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CONTENTS

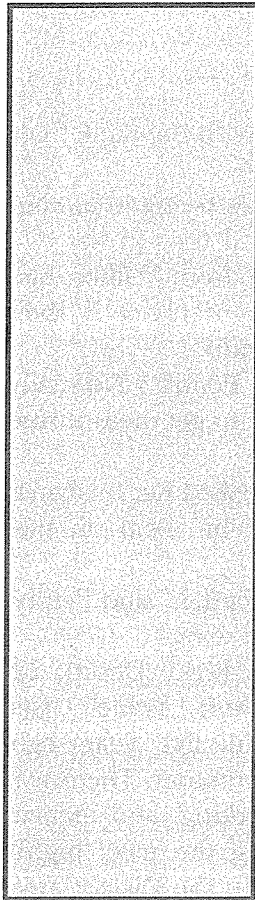
Case Summaries	iii
Letter from the Chief Editor	v
American Electronics Limited	1
<i>K V Ramani, Sum Chee Chuong, Jasbir S Dhaliwal and Alfred Tan</i>	
Raffles Hotel (1886) Pte Ltd.	13
<i>Ng Seok Hui and Lim Gaik Eng</i>	
Straight Business Chinese Style	43
<i>John Foster</i>	
Tenaga Nasional Berhad	53
<i>Marjorie Lyles and Kevin Steensma</i>	
The Escorts Case Series	77
<i>Jaideep Anand and Andrew Delios</i>	
The Supervisor	103
<i>F X Sligo</i>	
Case Writing and Case Teaching in the Asia-Pacific Region: Issues and Challenges	111
<i>Lau Geok Theng and Ling Sing Chee</i>	
Suggested Case Questions	125

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The Supervisor

SouthWest Bank has branches in all the main cities of New Zealand, and in many smaller ones, as well. Throughout the country, various support services are supplied by three Regional Offices, each of which looks after eight or ten branches. Managers and accountants in the branches (in the Retail Banking Division) can call on the services available from the nearest office of the Regional Services Division of the bank (see Figure 1). These services include personnel recruitment, training support, industrial relations advice to branches, and guidance on the permissible extent of loans to bank clients.

In many respects branch managers have reasonable discretion on how they choose to run their own branch. However, they are aware that the Regional Offices are closely linked to Head Office and thus have a good deal of influence through their recommendations as to which branch managers, accountants, and other staff should — or should not — receive promotions or salary increments. This kind of influence has traditionally made branch managers wary about going against Regional Office recommendations.

Penny Light has been Personnel Services Officer of the Central Regional Office for the past two years. Previously, she was accountant at the Wakefield branch and before that had worked her way up to executive ranks over eight years, transferring through several different branches of the bank. Although still in her late 20's, Penny reckoned she had seen a wide variety of personnel problems at these various branches. How to resolve the current stand-off at the Willton Branch, however, had her baffled.

It was Friday night, and Penny and her husband were discussing the situation over a drink. The past week had been hectic 'as usual' thought Penny. Much of her time had been

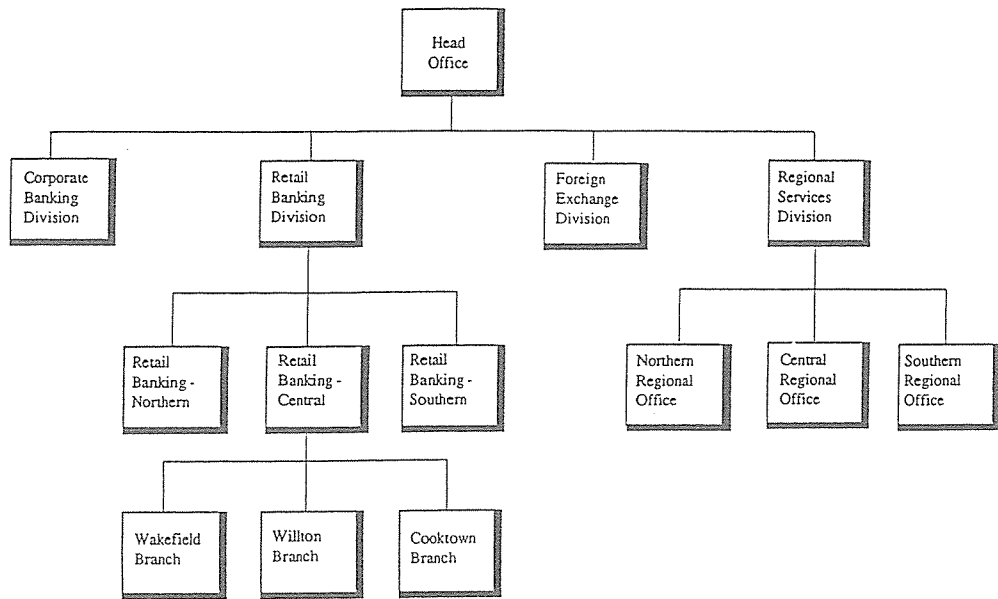


Figure 1. SouthWest Bank, partial organisational chart

spent as part of a bank team holding talks with the Bank Staff Union on a staff position regrading exercise.

But her most demanding task had been trying to put out the fires at the Willton Branch. For the third time in her two years at Regional Office, angry junior staff from Willton had called her, threatening to get the union involved if their grievances were not attended to (see Appendix).

'This is pretty unusual,' remarked Penny. 'Normally these staff are just so quiet. It takes a fair bit to get them stirred up.'

'So what's he been up to this time?' asked her husband. 'I thought you had him sorted out after he went on that training course.'

'Yes, for a while he did seem much better,' said Penny. 'Then he just started to drift back to his old ways.'

The subject of their discussion was Ricky Deslitt, 22, Customer Services supervisor at Willton branch (see Figure 2). From when he joined the bank five years ago, Ricky had seemed a good prospect for promotion. There was no doubt he was ambitious and hard working, and meticulous as well. Penny knew he was among the most highly motivated of the staff at his grading level in the District area.

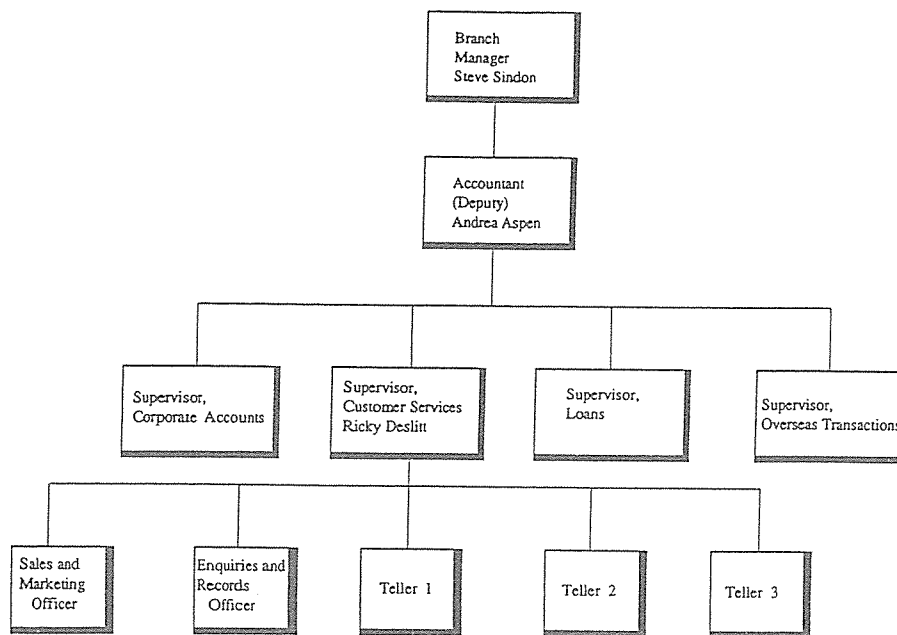


Figure 2. Wilton Branch, SouthWest Bank. Partial Organisational Chart

Recent developments in retail banking were now demanding more assertive, sales-oriented attitudes among staff, and Ricky had established an excellent record of selling customers new products and services. Just six months ago, for example, he had won the Regional award for opening the largest number of new customer accounts. The Central Regional Manager had publicly praised him at the last district conference, saying his 'get up and go' approach should be an example to all staff his age.

The only cloud on Ricky's horizon was his inability to handle people. Ricky seemed unable to relate to the staff in his section in any way other than aggressively. He drove himself hard, and expected consistently perfect results from everyone else as well. Ricky's subordinates complained that he was constantly criticising them, often using sarcasm and cutting remarks if he did not like something they were doing.

After each of the three times she had been approached by Willton staff, Penny had gone to speak to Ricky. Every time he had seemed puzzled that the staff under him were angry. He found it hard to believe they found his supervision style offensive. He could not see the problem. Since he was their

supervisor, he seemed to think, it was his right to command, and their job to obey without question.

Normally, Penny would not have expected to have such a direct involvement with these kinds of concerns. Even though she was employed at the Central Regional office as a specialist in staffing and training, disputes of this nature were usually dealt with by the manager of the branch affected. However, in this case, branch manager Steve Sindon had candidly admitted to her that he did not know how to cope. He wanted to keep Ricky — because of his selling skills — but did not know how to make him a better supervisor. Also, Penny was aware that Steve only had about two years to go before retirement, and she felt he was no longer as interested in the bank as he had once been.

'Ricky, all five of the staff in the Customer Services section tell me the same thing,' Penny had said to him. 'To be honest, they all say you're arrogant in the way you talk to them. They feel you don't seem to listen to their concerns. You just snap orders at them without saying please or thank you. When they try to do a good job, they say you never compliment them on it. You always seem to criticise them.'

On her first visit to see Ricky, Penny had given him a training video to take home. It was on how to manage bank staff, and gave specific guidelines on encouraging people at work to give their best efforts. Penny was aware that Ricky was no fool; but he appeared restless and impatient in his everyday dealings with people. When talking to customers, he preferred the hard sell approach, never satisfied until he had made a sale.

After Ricky had seen the video, his behaviour had seemed to improve for a while. However, within a month or so, staff at the Willton branch reported that when Ricky was under any kind of stress, such as busy times between noon and 2 pm, he would quickly revert to his former cold and aggressive way of talking to his staff.

Following the second complaint from Willton staff, Penny had arranged for Ricky to be sent on a supervisor's training course, which featured staff management and communication techniques. Similarly, Ricky's behaviour had seemed to improve, only to regress once again within a couple of months, especially under conditions of normal stress in the branch.

Most recently, one of the three tellers in his section had shouted at him that she wasn't taking any more of his rubbish. A number of customers were in the bank at the time, but Ricky hadn't seemed to notice either; he just yelled back at her, telling her what a stupid and incompetent worker she was. As it happened, neither the manager nor the accountant was present at the time, but this exchange had prompted the staff to call in Penny a third time to see if there was anything she could do. They had also phoned the manager of the Central Regional Office, who was startled to hear how angry the Willton staff were. He next rang Penny to say could she please look into whatever was going wrong there.

On returning to the branch, Penny had again interviewed all five of the Customer Services staff, and then again interviewed Ricky. 'What is it, Ricky?' she had said. 'Your staff still say that your attitude to them is very aggressive and unfriendly.' Ricky had just given her a rather cold smile. 'People around here just won't work unless you push them,' he said. 'I may seem a bit abrupt to them, I guess. But they'll get used to it.'

Penny is now required to report her findings to her own boss, Ken Jarvis, manager of the Central Regional Office. In other circumstances, Penny had been able to give Ken a clear set of recommendations about the course of action that should be taken. In this instance, however, she finds it difficult to do so, as there seems to be many conflicting issues:

1. The manager, Steve Sindon, appears reluctant to do anything unless he is forced to. He appears to find the whole situation too difficult to cope with. He says that maybe Ricky will improve if he has more time.
 2. Andrea Aspen, accountant and deputy at the Willton Branch, agrees with Penny's analysis. 'Ricky's an obnoxious little sod,' says Andrea, 'but he's also one of the best marketers the bank has at this level. Maybe I should get more involved — but it's really up to Steve. What can you do?'
 3. Ricky's behaviour towards his staff seems to be getting worse, if anything. After the earlier attempts to change his ways and become more courteous to his staff, he has now relapsed into his former insensitive habits. He appears to think that since he was publicly praised by the Central
-

Regional manager at the last district conference, he has no need to change his supervisory style.

Ricky's five staff are becoming more determined to get rid of him. They have told Penny, 'If Ricky doesn't change his approach, we're going to file a formal complaint with the union.'

Penny does not need more stress with the union at present. She is aware that discussions with the union on the regrading exercise are at a delicate point, and a complaint of this nature right now would be quite unhelpful.

4. Penny understands the dilemma faced by the bank at the present time. Competition among old and new players in banking has recently become very severe. It is widely understood that mergers and takeovers must come, in this environment where too many institutions are competing for business in a relatively small market.

In addition, new technology is swiftly changing the face of banking practice. Job losses have already occurred because of new technology and more are expected. It is very important that banks retrain their staff to become multi-skilled so that they can better look after customers' needs and cross-sell new banking services and products to branch clients.

Penny knows that Ricky's marketing skills are welcomed by the bank. Yet she is also aware that in times of uncertainty and rapid change, supervisors additionally need well developed human resource skills to help their staff overcome their anxieties and build their confidence and marketing abilities.

5. The Central Regional Manager wants some recommendations that will deal with the problem once and for all.

APPENDIX: THE CHANGING ROLE OF UNIONS IN NEW ZEALAND

The power and influence of unions in New Zealand was radically changed in 1991 with the passage of the Employment Contracts Act. Many previously regulated labour market activities were freed up, and in particular the focus of bargaining shifted away from national awards and in the direction of local, enterprise-based negotiations. One of the major outcomes of

the Act was to increase the discretionary power of employers and to reduce the power of unions. At the time of writing (July 1996), debate was still continuing about the effects of the changed role of employers and unions on workplace productivity and job satisfaction. Bayliss observed that 'New Zealand management has not yet come to terms with the insecurity of the new work environment and the effect this has on corporate culture.'

Despite no longer being required by statute to deal with unions, many employers were nevertheless keeping communication lines open with staff unions in order to secure their acceptance of needed changes. Although unions no longer possessed the right to compel workers to join, or to represent all staff, the bank officers' union still retained a significant number of bank staff as members. It was therefore in the interests of the banks to stay in contact with the union.

However, human resource staff in banks had the difficult task of persuading unions and bank staff to accept change that might have adverse effects for a number of personnel. In particular, the job regrading exercise referred to in the case study was intended to reduce the number of staff in more senior clerical levels and to reduce the number of steps in the clerical workers' job grades. These actions were designed to provide some insulation for the bank against swift-moving technological changes and competitive forces that required banks to review constantly their personnel costs.

The Supervisor

Sligo, F

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