

Jack nelson assignment



1. What do you think is causing some of the problems in the bank's home office and branches? The case talks about a bank with high employee turnover. Jack Nelson, one of the members of the board of directors discovers this when he is being introduced to the employees. When he asks an employee at the main branch what did the machine she uses do, she tells him that she did not know what it was called or what it did. She could, however, operate the machine well. While touring the 22 branches, he was perturbed to find out that the branches faced with very high turnover.

Problems in the Branches High employee turn-over: It is seen that the employee turn-over was very high. As one of the supervisors told Mr Nelson that every time an employee was hired, another was seen resigning. This slows down the work process and has a direct impact on the profits.

Employee turn-over has a high cost attached to it, not just in monetary terms but also the time the manager has to spend in training, the settling time required by the newly hired employee in the organization culture, the time to get to know his job etc.

Lack of proper on-the-job training: There is no on-the-job training for the newly hired employees. It is the job of the supervisors and managers to effectively and properly train their employees. In this case, supervisors had little time for the OJT and development of the employees. Effectively carried out, OJT is the quickest and most cost effective method of training. It helps supervisor-subordinate communication as well as keeps the subordinate's morale elevated. Lack of communication among the branches; and between the main office and the branches: It is very important in any organization for people to communicate.

Engaging employees in communication can have positive outcomes in an organization. The main office apparently does not know the problem faced by all the branches. Either it is not aware of the high-turnover or is not bothered by the issue. It seems like that the main office is only concerned with the bottom line i. e profits. The problems faced by the branches are not conveyed to the main office: where the senior management sits. One of the branch supervisors had ‘ confidentially’ told Mr Nelson that ‘ something was wrong’.

It seems it is not encouraged to talk and communication in the organization by no means is two-way. As a trickle-down effect, there is no communication among the branches. All branch supervisors hire without communication with other branches. The managers/supervisors could sit together and collectively solve the issue. Since it is a lean organization, employee transfers could be one of the solutions. This could also help in employees’ growth plans and developments. Low number of employees: The number of employees per branch is low and hence employees are overworked.

On an average there are 8 people working per branch, which seems a small number keeping in view the organization is considered ‘ a well run institution’. Because supervisors and managers are over-worked, they compromise with the quality of people they hire and on top of that have no time to train them. Excessive work load could affect all employees’ training and development. Compromised quality of employees/No motivation: The employee-quality seems compromised. Ms Johnson has been with the organization for 2 months.

She knows how to operate the machine she uses but does not know the name of the machine she uses or what it does! Strangely, her supervisor thinks she is an excellent employee. This also reflects on the supervisor and how little she expects of her people. Or alternatively, she is happy that at least there is somebody who is getting the work done instead of a vacant position, where the work would suffer completely and the supervisor's time will get affected. Also, because of the paucity of time, manager makes a hasty decision and is unable to hire a person with right KSA.

No emphasis on training and development: People are the key factor to the success of any business and the bank seems to ignore that very asset. No investment is being done to improve the human capital. There seems to be no growth and development plans for the employees in the organization. Ms Johnson's supervisor is very pleased with her work (just knowing how to operate the machine) and to improve her KSA is not in her (supervisor's) agenda. The senior management i. e the members of board of directors perhaps do not believe in training the branch supervisors and line managers as well.

HR and leadership skills are lacking in these line managers and supervisors.

Poor HR skills of Line managers/supervisors: The managers are not employing effective recruiting and retention strategies. All managers are expected to perform some HR duties in addition to their own specific assignment. In this case the managers would be expected to hire, train, mentor and compensate by promoting the subordinates. No HR Departments in the branches: There is no HR department which can formally look after HR

issues. Recruitment and retention are the issues which need immediate attention.

Managers, with their own load, do not have time for high employee turnover analysis. For them, to put somebody in the vacant position as early as possible, is of critical importance. An HR Department is required which can effectively and efficiently engage in human resource management. Because it is a lean organization, one centralized HR department in the main office would also be effective. Apparently, even the main office there is no such specialized department. PROBLEMS IN THE MAIN OFFICE No HR Department: It seems that the bank has no proper centralized HR department.

Or even if it does, lacks effective HR practices. The line managers/supervisors take it upon themselves to hire people when somebody resigns and in haste are not able to hire suitable people. An HR Department is needed in the main office which can be involved in HRM as well as strategic HRM specially now when the bank has 22 branches and 191 employees. It is important for the board of directors to realize that people are the organization's key resource. This understanding is found lacking. The senior management is perhaps stuck with the age old view that personnel management and HRM are the same.

With 27 employees in the beginning, the organization could get away with personnel management. But now with 191 people on board, a specialized function (HR department) is needed which is responsible for managing a workforce as one of the primary resources that contribute to the success of the organization. Lack of communication between the branches and the main

office: The senior management in the main branch need to realize the importance of communication. Engaging employees in communication can have positive outcomes in an organization.

The main office apparently does not know the problem faced by all the branches. Either it is not aware of the high-turnover or is not bothered by the issue. It seems like that the main office is only concerned with the bottom line i. e profits. The problems faced by the branches are not conveyed to the main office: where the senior management sits. One of the branch supervisors had ' confidentially' told Mr Nelson that ' something was wrong'. It seems it is not encouraged to talk and communication in the organization by no means is two-way.