

Jamie dimon and bank one essay sample

[Business](#), [Company](#)



1. Dimon's Intent for Bank One

In the year 2000, the board of directors of Bank One hired Jamie Dimon in a bid to resurrect the bank following the dwindling profitability of the investment institution. Most notably, Dimon spent his first a hundred days at the institution figuring the situation at the bank. Even in the information gathering process, it is clear that Dimon's main agenda was to change the culture and mode of operation at Bank One. Testimony to this is the fact that upon commencing his new job, Dimon unlike his previous predecessor who had a corner office on the executive floor opted for an office that was sandwiched in between those of other management officers. The idea behind this radical move was to communicate to the employees that their new CEO and Chairman was accessible and had a hands-on approach to management.

In addition to this, Dimon sought to establish the notion that the firm's executive officers were misleading the bank's board of directors and that's why he chose to gather information directly from the employees. Dimon also sought to increase the employee morale levels at the expense of the management; he adapted this strategy after he discovered that the employees' morale levels were extremely low despite the fact that the management had formed the habit of awarding financial perks whenever the opportunity provided itself. Basically, the message Dimon was sending to not only the Bank One community but also the entire financial community was that a lot of things were going to change radically during his tenure.

2. The Message Dimon was Sending to the Bank via His Actions

3. How Dimon Demonstrated His Entrepreneurial Skills

Dimon demonstrated his entrepreneurial skills during his tenure as the CEO of Bank One. To begin with, just like all entrepreneurs, Dimon believed in maximization of all the available resources. This the reason why Dimon ushered his tenure as the bank's CEO with cuts that targeted the management, the employees and the investors alike. Dimon's decision to cut back on expenses also demonstrated his entrepreneurial skills. Amidst protests from the management, Dimon sought to restructure their compensation perks to reflect the economic state of the bank. In addition to this, Dimon also decided to convince the shareholders that a reduction in their dividends will work out for the best on the long term. Finally, he cancelled the firm's longstanding subscription to the Wall street Journal and negotiated better deals for Bank One in relation to their outsourcing agreements. Entrepreneurs are renowned for making unpopular decision and proposition for cutbacks in an establishment that is used to squandering resources is an example of Dimon's unpopular decisions.

4. The Organizational Culture at Bank One

The culture at Bank one when Dimon took over was characterised by mismanagement and wrangles at the executive levels. Wrangles amongst the firm's executives affiliated to Bank One, NBD, First Chicago and First USA was the order of the day. In addition to this, the employees' morale levels were very low and this to a large extent was motivated by the management's notorious behaviour of awarding itself compensatory perks as a precondition to every subsequent merger and acquisition. To this effect the relationship between the management and the employees was frosty and hence the former was inaccessible to the latter. Bank One also owned a

staggering real estate portfolio that was idle by the time Dimon was hired as the firm's CEO. Finally, the firm had lopsided deals with outsourcing deals that siphoned most its revenues.

5. The Feelings Harboured by Bank One's Employees

If I were an employee at Bank One, I would feel neglected by the management and completely alienated from the firm. The alienation would stem from the fact that the bank's management and shareholders only look out of their interests at the expense of those of their employees who do the donkey work. Given that it is only the executive employees who were entitled to compensatory perks and the shareholders entitled to obscene dividends, I would feel like another corporate employee that was unappreciated for the hard work they put in for their firm. In addition to this, the constant wrangles and power plays within the management will frustrate and eventually demotivate me because it portrays the image that the firm is being led by very greedy and selfish executives.

6. Recommendations to Maintain the Entrepreneurial Culture at Bank One

I would recommend that the bank uses all the resources at its disposal sustainably. First and foremost, I would ensure that the compensatory perks cut across the board. This shall be instrumental in bridging the gap between the management and the employees. The compensatory perks shall also be restructured to become rewards for a job well done and not just dished out as a result of a merger or acquisition. In fact, these compensatory perks shall be instrumental in ensuring that all the employees are motivated to do their jobs hence eliminating the need to outsource labour. Finally, I would ensure that all the company's resources are put to profitable use beginning with the

massive real estate portfolio.

7. The Group Most Affected by my Recommendations

These entrepreneurial strategies will mostly affect the management. This effect shall be both negative and positive; on the short term basis, the management shall be negatively impacted by my recommendations because of the restructuring of their compensation perks. On a long term basis, the management shall be positively impacted because the board of directors shall accredit the turn of the bank's fortune to their hard work and thus decide to compensate them for their dedication to Bank One. In essence, the management are both biggest losers and gainers.

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