

# Case study on the canadian national bank

[Business](#), [Management](#)



This case analysis is about managerial problems witnessed between Lesley Mahon, a customer service manager, and her subordinate, Pam Stewart, a customer representative employee. The two work at the Chatham branch of the Canadian National Bank. This case report will analyze the profiles of the two employees of the Canadian National Bank. For the sake of streamlining the day-to-day operations of the chartered financial institution, this case analysis has been conducted diligently to help resolve the issue at hand. This is because stakes are high for both parties and the national bank, which looks forward to improve its operations and register profits. The bank has invested a lot in the youthful customer service manager, Lesley Mahon, and she is promising to be part of the team that will propel the bank to newer heights with the onset of new changes in the financial market coupled with technological advancements. The new changes are the consolidation of the four key pillars, Banking, Insurance, Trust and securities. On the other hand, the bank counts on the all rounded and well experienced customer representative, Pam Stewart, to achieve its goals and objectives through her streamlined customer care initiatives. Of particular interest of this case analysis is to understand the background of the two employees and their present situation. This will help us to understand the cause of the altercation between the two who seem not to get along well. In addition, the case analysis would study the structure and how the Canadian National Bank is organized. The job description of the two employees involved in the altercation will be analyzed in detail. This will guide us in exploring the source of the problem, ways of handling the situation in a professional and

diligent manner, and finally give us a recommendation on the way forward in solving the problem at hand.

## **The Canadian National Bank Case Analysis**

One of the six largest chartered financial institutions in Canada, the Canadian National Bank is incorporated under the banking act. The financial institution is well capitalized with assets worth 218 billion dollars, revenues generated in the amount of 16.5 million dollars and a net profit of 1.4 billion dollars during the 1996 to 1997 fiscal year (Davey 48). However, the financial market is facing drastic changes with the onset of de-regulation that is set to liberate the sector. As at the time when the above end year results of performance of the Canadian National Bank were announced, the banking industry had remained regulated by the banking act. This act limited cross-ownership between the four key pillars of the financial market that is banking, trust, securities and insurance. De-regulation aimed at consolidating these four key pillars. Therefore, cross ownership would be possible. However, this meant increased competition for the Canadian National Bank since de-regulation would permit new entrants from the other three pillars into the banking industry. Furthermore, technological advancements have also brought financial innovations, for instance the introduction of telephone banking, automated banking and home banking (Davey 48). This has led to the introduction of newer personal banking products to increase revenues. These drastic changes prompted the head office of the Canadian National Bank to restructure its ways of doing business to counter increased competition from new entrants in the banking sector. Consequently, customer service representatives were required to

familiarize themselves with the wide range of products and services offered by the bank. In addition, another key move for the bank was to cut internal costs through efficient use of the bank's resources to increase profits. To grasp clearly the implementation of these changes; next, we are going to analyze the Chatham Branch. In the process, managerial challenges will arise and we are going to critically analyze the situation and make a recommendation.

## **The Chatham Branch**

Between the years 1994 to October 1996, three different managers have headed the Chatham Branch of the Canadian National Bank (Davey 49). This is a telltale sign that all is not well at this particular branch, particularly with the management of customer service. For once, this case analysis will seek to establish the root cause of the management increased turnover and provide recommendations on the way forward to resolve the issue.

## **Lesley Mahon and Pam Stewart Profiles**

The latest appointed manager of customer service at the branch is Miss Lesley Mahon, a 24 year old who recently graduated from Richard Ivey School of business with honors in the business administration program. At the time of her appointment, she was expected to serve the branch for 18 months for her to be able to apply for a position at the treasury department. During the summer long holidays of her schooling years, Lesley had enrolled in a training program with the Bank to nurture and prepare her in aspects of retail banking. The program was initiated to prepare promising candidates for management positions after the completion of their undergraduate

program. Her colleagues describe Lesley as calm, considerate and competent. She sees herself as a laid-back manager who appreciates her subordinates and employers. At the time of her appointment, her predecessor congratulated her for her appointment and warned her that one of the employees, Pam Stewart, can be difficult to manage.

We will now examine Pam Stewart's profile to help us deduce the root cause of the managerial problem at hand that has seen the turnover of up to three managers within a span of two year. This has happened so fast despite the fact that a single manager is expected to serve for a minimum period of 18 months.

Pam Stewart is a middle-aged 43-year-old mother of two teenage daughters. She became a customer service representative after graduating with a high-school diploma more than twenty years ago. Her colleagues describe her as stern and very exacting. Some feel intimidated by her personality because she likes to point out mistakes or oversights. However, her in-depth knowledge is highly regarded as she is seen to have great experience in all the operations of the bank. Perhaps this stems from the fact she has worked for the Canadian National Bank for many years. Her most recent performance evaluations show above average ratings in every criteria of her work description.

It is crucial for us to note that Pam Stewart had applied to become the customer service manager of the Chatham branch some two years earlier. However, her application was denied and another applicant who held a formal business degree was favored.

## **Altercation between Miss Lesley Mahon and Mrs. Pam Stewart**

Problems between the two employees of the Canadian National Bank can be traced from the first week of Lesley's appointment as manager of the Customer Service. This was on 21st Oct, 1996. All 11 employees of the branch with the exception of one, Mrs. Pam Stewart, received Lesley warmly. Lesley conducted herself professionally by arranging to meet all the branch employees one-by-one in her office. She briefed them on her goals for the immediate future and that she hoped the changes introduced recently by the strategic management would help to make the branch more efficient and profitable. All the employees committed themselves to the bank's goal of growth through excellent service with the exception of Pam Stewart who reacted negatively upon her first encounter with Miss Lesley.

### **This is how the conversation between the two went:**

Lesley informed Pam that she was looking forward to work with her and that she appreciated her vast experience that was crucial for her team's success. On her briefing, she talked of the new initiatives in the branch operations introduced by the head office three months prior to her appointment. She emphasized that her appointment was to implement the new changes as painlessly as possible.

Immediately, Pam responded disparagingly using the following remarks, "you think you will walk in here and implement all kind of changes because you hold a degree but I wish to inform you nothing about my job description will change." Pam continued to defend her arrogance citing that she had 25

years of experience thus she understood how things worked best at the Chatham branch.

Lesley replied calmly to these uncalled outbursts by stating that the planned changes were passed by the head office and her job was to implement them.

Pam adamantly replied she did not care what Lesley's plans were and that the branch did not require her services. Before storming out of Lesley's office, Pam remarked that she and her colleagues had gotten rid of previous managers and that Lesley was the next in line.

This ugly incident on the first day of appointment made Lesley feel uncomfortable which prompted her to document the incident in the personnel file.

Four days later, Lesley found herself in an altercation situation with Pam over referral sheets. The head office had adopted the system to promote financial products. It was seen as a great strategy in raising revenues through personal banking services. Only Pam's referral sheet was missing from the ones she had collected. When he questioned her over the matter, she replied rudely that she had not made referrals for the past 25 years and she did not intend to do so. Lesley tried to talk to her calmly but she replied adamantly that she was not a sales person nor was she going to be told what to do. To make matters worse, Pam walked away briskly.

Despite these ugly incidences, Lesley tried to remain calm. She wondered how Pam received above average ratings considering numerous referrals in

her job description and her claim of not filling them over the years. She thought that maybe the previous managers must have felt intimidated.

Pam continued making unrealistic requests such as the request that her job description be exclusively that of a customer service representative. She cited the clerical work she shared with Sarah Wright caused her a lot of stress. The Customer Service Capacity Management (CSCM) had recommended that the two share the clerical work.

Interestingly, Sarah Wright, age 45, seemed to relate professionally with Lesley Mahon, despite their huge age difference compared to that of Pam and Lesley. She was content with her job and had won the national customer service award for the most outstanding customer service representative.

We learn of Pam's personal problems in her life through the conversation Sarah Wright had with her supervisor, Miss Lesley Mahon. She acknowledges that Pam was having personal problems since her teenage daughter got a child out of wedlock.

### **The Final Altercation**

However, the bombshell came when Pam requested to be allowed not to work overtime once in a week like every other employee because she intended to undertake an accounting course. Lesley calmly persuaded Pam to undertake the course the next time it would be offered because her failure to work overtime once in a week would result to increased workload for other employees who already felt overworked. Pam seemed to understand Lesley's



arguments and she nodded in acceptance that she would continue playing her part.

Finally, Lesley knew the crisis on February 26, 1997, when she learnt from the area manager, Aronson, of the serious allegations Pam had written about her to the National Committee for Employee Concerns (NCEC). Pam had stated that Lesley was an impediment to her professional and personal development (Davey 46).

### **Analysis of the case, Employee Rules and recommended Corrective Action**

The above documented situation reveals that Pam Stewart's latest move of writing to the National Committee for Employee Concerns (NCEC) was done in bad faith. She skipped various steps that outlined in the Bank's complaint procedures and went for the very last option, which is to write to the NCEC. This is in violation of the employee oath to comply with the banking laws and regulations. Pam should have talked to her manager, in this case Lesley Mahon. She also had the second and third option of talking to the area manager first, and if this failed, to the third option was to talk to the Human Resources Department before launching a formal complaint with the NCEC (Davey 62).

The customer service manager, Miss Lesley Mahon should take counter action against Mrs. Pam Stewart by first preparing a detailed report documenting all the gross violations she had committed before. The first violation of employee rules under individual responsibility is that of harassment using unwelcomed remarks on her first encounter with Miss

Lesley Mahon at her office. Secondly, Pam violated the employee rule under honoring trust for not complying with instructions received from her supervisor, Miss Lesley Mahon. When asked to hand in her referral sheet, Pam replied arrogantly that she had not done so for the past 25 years. Part of Pam's job description reads like, "to market products found to match customer needs and refer them to the relevant officer." For refusing to perform this task, Pam had committed a gross misconduct by failing to perform her duties that constitute 35% of her job description. Lesley has the right to demand her immediate dismissal.

### **Corrective Action**

In both cases, Lesley had acted professionally according to her job description, which states that she should monitor performance and communicate with her subordinates over the head office expectations of them. The corrective action to be taken by Lesley is to issue a written warning or dismissal to Pam who seems not to be in harmony like other employees over the planned organization changes that have been brought by de-regulation of the financial markets and technological advancement that have led to the introduction of newer financial products.

### **Recommendations**

The management should come up with a counseling program to help the long-term serving employees to adjust positively to change. This is because those employees who used to performing their tasks the old-fashioned way can meet changes with resistance. When they are counseled, then

implementation of the change process will run smoothly. Consequently, an organization will perform well and meet its objectives.

## **Work Cited**

Davey, Austin. Managing People Operations Marketing. Laurentia University