

## TLC POOLS LTD.

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*Elizabeth M. A. Grasby revised this case (originally Shark Pools Ltd. written by Drummond Gill under the supervision of Richard H. Mimick) solely to provide material for class discussion. The authors may have disguised certain names and other identifying information to protect confidentiality.*

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In late June, Jack Armstrong, president of TLC Pools Ltd., sat in his car outside of the hospital and thought about the problem currently facing him. Jack had just met with Paul Gibson, one of his best and most productive supervisors. Paul had just resigned, saying that he couldn't handle his job anymore. Jack had to make a decision quickly. Paul needed to be replaced in his division.

### THE COMPANY

TLC Pools Ltd. (TLC) was considered by its competitors and customers in the business to be one of the most established and best managed commercial swimming pool service companies in the GTA.<sup>1</sup> TLC's services involved various seasonal pool requirements for commercial customers, most of which were apartment buildings with pools.

In the spring, work included cleaning, painting, and filling outdoor pools. Supplying lifeguards and pool chemicals was done throughout the summer, and pools were emptied in the fall in preparation for the upcoming Canadian winter. Throughout the season, mechanical maintenance was kept up on pumps and filters at each pool.

The most hectic and profitable period was the summer when the company supplied lifeguards for apartment buildings with pools. Commercial swimming pool companies bid on contracts for these apartment pools every spring. During the summer, high school students were employed to fill the large seasonal increase in demand for lifeguards. TLC's income was severely limited in the winter since business solely consisted of servicing a few indoor pools.

### THE COMPETITION

Competition was significant for the contracts that were bid on every spring. Although TLC serviced only forty summer pools, while some other companies serviced over one hundred, Jack believed the firm was repeatedly awarded the best contracts due to its long-standing reputation for quality service. He was convinced that TLC's extensive training of lifeguards was the key to recruiting, maintaining and retaining this service business. The best contracts were the ones wherein the superintendents of the buildings complained the least and owners of the buildings paid their contract bills on time.

### THE ORGANIZATION

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<sup>1</sup> Greater Toronto Area

Jack was the president and on the board of directors of TLC. Jack was primarily responsible for company sales and customer relations. His brother, a lawyer, owned the majority of the shares and was a silent partner. Peter Jones, Jack's nephew, was TLC's vice president. Peter was in charge of the day-to-day operations at Head Office. This included the management of five division supervisors, the maintenance crew of two employees and bookkeeping. TLC split the GTA up into divisions based on geographic location. Each division was responsible for seven to nine pools, with one supervisor per division and one lifeguard per pool. Each lifeguard opened his/her pool in the morning, cleaned it, and performed chemical tests to determine whether to add chemicals and, if needed, to add the appropriate chemicals. The lifeguard would then contact Head Office to let Peter know that everything was all right. This process would take about an hour and some lifeguards took advantage of this by showing up late or reporting in from home, not doing the work, and still getting paid.

Paul Gibson, 19 years of age, had worked for TLC the past two summers as a lifeguard when not attending university. Currently, Paul was one of TLC's division supervisors. Paul believed that one of the keys to his job as a good supervisor was to keep his lifeguards motivated. He knew it could be very boring for lifeguards to sit by a pool for hours with little to do. Paul's other responsibilities included the scheduling of lifeguards to pools, the training, hiring, and firing of lifeguards, payment schedules, public relations, supply scheduling, and numerous other duties. Jack knew that, with the complexity of the job, it took a long time to train and familiarize a supervisor with a specific division, and no one knew Paul's division better than Paul. TLC's organizational chart is shown in Exhibit 1.

## THE SITUATION

In late May, Paul had been promoted to supervisor. His ambition and managerial ability were attested to by the building superintendent of the pool at which he worked. Paul's division supervisor had left on short notice and had recommended that TLC promote Paul to the position; consequently, based on these recommendations, Paul was filling the empty position for the summer.

TLC Pools had just hired a number of staff from a rival pool service company that, it was rumored among the supervisors, had been purchased. Many of these people, some much more experienced and older than Paul, worked as lifeguards in Paul's division. This made Paul feel important since he held responsibilities much greater than these other workers. Jack told Paul not to pressure the new staff "on the job" because they already knew their responsibilities.

Paul had just purchased a motorcycle, at Jack's request, to help him travel around his division to visit the pools daily. Paul, although concerned at first about the expense, agreed it was the best decision. Everything started out well but problems soon developed during the summer.

Paul wasn't always sure that the lifeguards were listening to him when he suggested methods for cleaning a pool or instructed them how to use the filters. One new lifeguard, Cindy Carruthers, was especially troublesome. She had no previous experience and appeared ill equipped at doing manual labour.

Paul felt compelled to come in at the start of the summer to give Cindy some much-needed help, even though it interfered with his regular morning rounds of visiting all the pools to look for trouble spots. He spent many hours teaching her how to use the pumps and how to vacuum both her pool and a neighbouring pool across the road. This extra pool was to be cleaned in the hour before she began her regular duty so she was paid time-and-a-half for that hour. Cindy consistently complained about the other pool. She believed

that it was not her responsibility, and whenever Paul visited Cindy, her pool was clean but the other pool was always either dirty or cloudy from lack of chemicals.

About half way through the summer, Paul asked Peter to see if TLC could afford to hire someone else for the maintenance of the second pool. If so, Paul would be happy to recruit someone. A week later, Jack called Paul:

Jack: "I hear you're having problems with Cindy Carruthers."

Paul: "Yeah, Jack, she won't come in, in the mornings, and clean both pools. I'm afraid it's not working out. She knows what to do."

Jack: "No problem, I've hired a teenager to clean the other pool. I told him to report to you at the building pool tomorrow morning. He's only 13 years old, but he's smart. Train him and everything will be fine."

Paul: "Sounds good. Oh, by the way, how do you like the way I've been running my division?"

Jack: "Oh, haven't I told you? You're one of the best supervisors I have. Keep up the good work."

Two weeks later, the building superintendent of Cindy's pools phoned Paul after work:

Superintendent: "I've told your boss to fire that kid. I don't want a 13-year old doing a lifeguard's work. I don't care how good he is, I'm paying money for an experienced person."

Paul called Jack:

Jack: "Sorry Paul, you'll have to go back to the old system and fire the lad tomorrow morning. Tell Cindy to come in early again until we can come up with a solution."

A week later, Paul received a message from Peter that the superintendent at Cindy's pool had complained once again. Paul rode to the location to find out the source of the complaint from the superintendent:

Superintendent: "I looked in the filter room this morning and I found that the pump was left on but all the valves were closed. You could've damaged a \$15,000 filter pump! Get your act together or you're going to lose our contract!"

Paul confronted Cindy about the superintendent's observations:

Cindy: "I wouldn't make that mistake—you trained me yourself. I've spent a week training one of the teenagers who lives here how to clean it, so that I wouldn't have to. He's older than the last one. I thought it would be all right."

Paul spoke to the 15-year-old in question and, as suspected, he had vacuumed the pool that morning but he had forgotten to open the valves. Paul marched back to Cindy and exploded:

Paul: "I'd fire you if I could, but I haven't got anyone to replace you, nor have I got the time to train someone. You're incompetent and naïve. Shape up and do both pools as you should!"

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With that, Paul hopped on his motorcycle. He was furious; he had two hours to deliver this week's paychecks around his division and he felt personally responsible for Cindy's problem. On the way home that evening, a car pulled out in front of Paul at an intersection. Paul swerved and crashed. The motorcycle was destroyed but Paul received only a few scrapes.

Although Paul's injuries would not keep him from doing his work, he had still tendered his resignation. Jack thought that Paul believed he was responsible for Cindy's poor work and that he had become extremely frustrated. Jack realized that, with the summer workload at its peak, he had little time for long-term planning. Could he or his team have prevented the escalation of events experienced by Paul? What action should he take now?

**Exhibit 1**

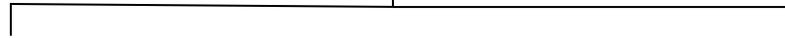
Jack Armstrong  
President

(Sales and Customer Relations)



Peter Jones  
Vice-President

(Division Supervisors, Maintenance Crew and Bookkeeping)



Maintenance Crew  
(2)

Division Supervisors  
(5)



1. Paul Gibson
- 2.
- 3.
- 4.
- 5.