PHARMED FIRST INC. (B)

George Brenner, regional manager of Pharmed First Inc. (Pharmed), arrived at his office at 7:30 a.m. on May 10, 2012. He usually visited a store or two before going to his office, but his impending 9:30 a.m. meeting with one of his store managers, Angela MacFee, was the only thing he could concentrate on, and so he drove straight to the office.

The previous night he decided what action to take. The steps he planned were as follows:

1. MacFee's rating as a store manager would be lowered from excellent to good. This lowering would result in decreased potential for her to earn her bonus.
2. She would be placed on probation for a period of six months. If a similar incident occurred, she would be further disciplined, up to, or including, termination.
3. He expected an apology for her insubordination and an apology to the customer.

These steps, Brenner believed, would help to show Angela the serious consequences of her actions. He took employee insubordination very seriously. He viewed her behaviour as contrary to the values of the company and believed it could create adverse consequences for Pharmed's image to the public and its customers.

As he reviewed his action plan, Brenner thought a second opinion would be helpful. The evening before the meeting, he telephoned Charles Turner, director of human resources at Pharmed. After explaining both the customer incident and MacFee's behaviour, Brenner told Turner of his action plan. He wondered what Turner's reaction and suggestions would be.