**EMPLOYEE ENGAGEMENT**

**Learning Outcome 1: ACTIVITY 15**

**GROUP ACTIVITY**

**Enabling employee engagement**

Read the following case study and answer the questions that follow:

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| **Case study**  |
| The Furniture Store is a long-established retail company selling furniture such as beds, sofas and dining tables from showrooms across the country. Over many years, the company had built up a good reputation based on competitive prices and knowledgeable sales staff. Customers liked to visit their local showroom to discuss requirements with the staff and were confident of a reliable delivery and, if need be, installation service. To give this level of service, The Furniture Store had built up a team of talented managers and staff, many having been with the company for years. The company encouraged promotion from within – many managers had started off as junior sales staff and worked their way up. Pay and benefits were not much better than at other retailers but the staff discount was particularly valuable. Staff could get a discount of 30% on anything they bought, and the discount was also available to family members and friends. A further benefit was time off to attend classes and tuition fees for those who wanted to improve their customer service skills. After many years of successful trading, The Furniture Store is currently finding that its sales are dropping. Last year’s trading figures revealed that the company was in serious financial trouble. As a result, the chief executive took early retirement and several senior managers also retired or left. A new chief executive was found quite quickly – Jennifer. She had previously been in charge of the furniture division of one of the country’s most successful retail chains. The reward package she demanded was very generous, but the Board had decided that the right chief executive could turn the company round and prevent branch closures. Jennifer quickly made changes. Firstly, she changed the layout of the stores and introduced new work practices to increase efficiency. However, she did not consult the staff about these changes. Secondly, she cut the staff discount from 30% to 15%, and it was no longer available to their friends and family. No explanation was given for this. Thirdly, she introduced a profit-sharing scheme for senior managers which meant that they could earn substantial bonuses if the company’s trading improved. The staff working in the shops were furious at the changes. Many felt that they should have been consulted about the layout of the stores, because they believed that they had a much better understanding of customers’ requirements than anyone coming from outside the company. The new working practices included a requirement for staff to clock in and out at the beginning and end of their shifts. Previously staff had been trusted by their managers to come in on time and to work a full shift. In addition, the staff had less flexibility about which shifts they worked. Staff had been able to work flexibly by making their own arrangements with their colleagues to cover shifts. Now the store managers had to insist that staff worked the shifts they were contracted to do, and staff who did not work their contracted shifts were disciplined. Staff were particularly upset about the halving of their staff discount and that senior managers were going to be entitled to large bonuses. Many shop-floor staff wrote angry letters of complaint which they sent to head office. However, their letters were not acknowledged by head office and no one received an answer. |

Working in groups, answer the following question:

* What effect is the situation likely to have on employee engagement?
* Thinking about the enablers of engagement. What advice would you give Jennifer and the senior managers to help them improve levels of engagement?