### SESSION PLAN

**COURSE:** ABE L5 Diploma in Business Management and HR - Employee Engagement

**ELEMENT:** Element 4 – The impact of engagement on the organisation

## **LEARNING OUTCOME 4**

Analyse the contribution of employee engagement to organisational success (Weighting 20%)

4.1 Discuss the impact of employee engagement on organisational success

4.2 Analyse the link between organisational measures and organisational outcomes

**NUMBER OF SESSIONS:** Two - approximately twelve to fourteen hours in total, plus self-study

**SESSION TOPICS:** Session 1: The impact of employee engagement on organisational success

 Session 2:  The link between organisational measures and organisational outcomes

**Note to tutors: this is the recommended session plan for learning outcome 4 of element 4 of the ABE L5 Diploma in Business Management and HR – Employee Engagement unit. You should follow the plan, using the resources (referenced as ‘slides’ here) and activities provided. It is important to enhance all sessions with local examples and case studies, involving the learners ACTIVELY wherever possible.**

### SESSION 1: The impact of employee engagement on organisational success

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| **Approx.****Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** |
| 6 – 7 hours | Introduction to session and learning outcomes | Use file: **RESOURCE Element 4 LO4 The impact of engagement on the organisation** Learning outcome 4Assessment criteria 4.1. | 1-4 | Learners to listen, take notes and participate in class discussions throughout, as appropriate. |  |
| How can business performance be measured? | Business performance considers the organisation as a whole, and the targets or goals that it sets for itself. Give out Activity 1 for students to complete in pairs. Discuss their thoughts in class then read through slide 5.Measuring business performance will keep you focused on the strengths and weaknesses of your business. It can be measured by * Key Performance indicators (KPIs) – is a quantifiable measure that helps an organisation monitor their achievement of key business objectives. An example might be a KPI to monitor sales revenue
* Sales results or profit targets e.g. a company might set itself a target of a 20% increase in its profits, or sales, compared to the previous year
* Staff performance or productivity levels
* Employee turnover – monitoring the rate of labour turnover, perhaps with a target to reduce it, or ensure that it does not rise above a certain target percentage
* Customer satisfaction or complaints
* Wastage rates for example, in a factory, the wastage rates could measure how many products are rejected due to not meeting quality control requirements

. | 5 | Learners to listen, take notes and participate in class discussions throughout, as appropriate.Complete Activity 1:Business performance considers the organisation as a whole, and the targets or goals that it sets for itself. How can you know if the business is doing well, or not? In pairs, think of many ways as you can that a business can use to measure its overall performance. | **5UEE E4 LO4 Activity 1 – How can business performance be measured?** |
| The benefits for an organisation through having high levels of employee engagement | Read through slide 6. These benefits were suggested by Stairs & Galpin (2010) (cited in Armstrong & Taylor 2017:219).* Lower absenteeism and higher employee retention
* Increased employee effort and productivity
* Improved quality and reduced error rates
* Increased sales
* Higher profitability, earnings per share and shareholder returns
* Enhanced customer satisfaction and loyalty
* Faster business growth
* Higher likelihood of business success

Discuss in class. | 6 | Learners to listen, take notes and participate in class discussions throughout, as appropriate. |  |
| The link between business performance and an engaged workforce | Give out Activity 2. Students should do this in pairs, then feedback to a class discussion.Read through slide 7 and use this as a conclusion to the links between business performance and an engaged workforce. Discuss how this relates to the role of the line manager, and employee engagement | 7 | Learners to listen, take notes and participate in class discussions throughout, as appropriate.In pairs, take each one of the benefits shown on slide 6 in turn, and state why each of them can contribute to an organisation's overall performance.Be prepared to discuss your answers in class. | **5UEE E4 LO4 Activity 2 – The link between business performance and an engaged workforce** |
| The psychological contract – a reminder | Question to class – from earlier lessons, can you remember what the ‘psychological contract’ is? | 8-9 | Learners to listen, take notes and participate in class discussions throughout, as appropriate. |  |
| The relationship between the psychological contract, engaged employees and organisational outcome | Give out Activity 3. Students to complete in pairs and then feedback to class.Debrief: Strong psychological contract is likely to have many of the features of the drivers of employee engagement, such as leadership, clear organisational values, employees having ‘voice, consideration of employee well-being and so on.  |  | Learners to listen, take notes and participate in class discussions throughout, as appropriate.Complete the following activity in pairs:Consider the features of the psychological contract. What are the links between this, and the benefits of having engaged employees, and the business performance advantages from having engaged employees that were discussed earlier? Be prepared to feedback your answers to a class discussion. | **5UEE E4 LO4 Activity 3 – The relationship between the psychological contract, engaged employees and organisational outcomes** |
| The relationship between the psychological contract, engaged employees and organisational outcome | Discuss slide, which is a quote from Bevan (2010) that was cited in the Engage for Success report, *Well-being and Engagement* (2014). This report suggested that well-being and employee engagement influenced employee performance, and that well-being significantly strengthened the relationship between employee engagement and performance.In addition, the report found that engaged employees, with high levels of well-being, were 35% more attached to their organisations than those with lower well-being.Give out homework activity | 10 | Learners to listen, take notes and participate in class discussions throughout, as appropriate.Homework activity:Nigel Purse, (2015) "Blurry objectives threaten engagement and profitability: Language of expectations ensures employees know what they are working toward", Human Resource Management International Digest, Vol. 23 Issue: 2,pp. 28-30Read this article and answer the following questions:1. What, in the author’s view, is the problem with objective setting in organisations, and how does that link to employee engagement?
2. What are his proposed solutions and how to they link to employee engagement?
 | **5UEE E4 LO4 Activity 4 – The relationship between the psychological contract, engaged employees and organisational outcomes** |
| What is required for excellent customer service? | Give out Activity 5, which considers student’s own experience of best practice in customer service. Discuss the answers in class, to start to explore the links between excellent customer service and high levels of employee engagement. |  | Learners to listen, take notes and participate in class discussions throughout, as appropriate.In pairs, think of examples where you have experienced what you considered to be ‘excellent customer service’.1. What were the characteristics that made it ‘excellent’?
2. Now think about the members of staff delivering that service. What skills and behaviours did they exhibit to make that service be considered as ‘excellent’?
3. In your opinion, is there a link between high levels of employee engagement and excellent customer service? Justify your answer.

Be prepared to discuss your answers in class. | **5UEE E4 LO4 Activity 5 – What is required for excellent customer service?** |
| The link between customer service and employee engagement | Discuss slide 11. Possible research to support this claim:* Engage for Success (2014) found evidence to suggest that highly engaged and committed employees have a clear and important influence on sales performance and customer satisfaction.
* Engage for Success, in another report in 2015 determined that consumers’ expectations around improved customer service levels from businesses and brands, and an increasing willingness to desert those that fail to meet their expectations, means the performance and quality of service an organisation offers is key to its success; and finally:
* Taylor & Woodhams (2012) consider, other research that has shown that high levels of employee engagement are associated with organisational commitment (Saks 2006), customer satisfaction, employee loyalty, profitability, productivity and even safety (Harter et al 2002).
 | 11 | Learners to listen, take notes and participate in class discussions throughout, as appropriate. |  |
| The link between customer service and employee engagement | How does employee engagement impact on customer satisfaction? Discuss slide 12If staff are feeling committed to the organisation, motivated to work for it and generally feeling happy and positive about their work and their working environment, then this will give a positive impression of the organisation and the products sold, to the consumer, through the positive attitude of the member of staff they are dealing with. Discussing the quote on slide 13. Lead on to a class discussion – is trust the **only** requirement for excellent customer service? What would happen to customer service if there is no trust?Give out Activity 6 | 12-13 | Learners to listen, take notes and participate in class discussions throughout, as appropriate.Individually, read the following article:Gary Cattermole, Jaime Johnson, Diane Jackson, (2014) "Employee engagement creates a brighter economic future at Jupiter Hotels",Strategic HR Review, Vol. 13 Issue: 2,pp. 81-85,  Now working in pairs, consider the following:* The article states that it looks at the issues of how to monitor and increase levels of staff engagement over time to deliver business results. Make a note of the key points that it makes to demonstrate this.

Be prepared to discuss your answers in class. | **5UEE E4 LO4 Activity 6 – The link between customer service and employee engagement, linked to business performance** |
|  | Review of session and learning outcomes | Question for general class discussion: what are your key learning points from Session 1? .  | 14 | Participate in class discussion, sharing learning points. | **5UEE E4 LO4 Activity 7 – Key learning points** |

### SESSION 2: The link between organisational measures and organisational outcomes

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| **Approx.****Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative assessment** |
| 6-7 hours | Introduction to session and learning outcomes | Use file: **RESOURCE Element 4 LO4 The impact of engagement on the organisation** Learning outcome 4Assessment criteria 4.2. | 15 | Learners to listen, take notes and participate in class discussions throughout, as appropriate. |  |
|  | Reasons for employee turnover | Give out Activity 8 – reasons for employee turnover.Class discussion. **Push factors** Typical push factors are:* perception of limited opportunities
* lack of senior role models
* excessive workload, especially attributed to bureaucratic and management inefficiencies
* non-competitive rewards and recognition
* lack of respect for personal life and desires.

Pull factors Typical pull factors are:* a job offer with much greater compensation (salary package) and/or more decision-making powers
* the desire to follow a life-long dream or vocation
* family responsibilities, e.g. children, spouse and care for the elderly.
 | 16 | Learners to listen, take notes and participate in class discussions throughout, as appropriate.Question - Why do you think people leave organisations? Think of as many examples as you can.How many of these reasons can be linked to levels of employee engagement, in your opinion? Justify your answers. | **5UEE E4 LO4 Activity 8 – Reasons for employee turnover** |
|  | Employee turnover, and the outcome of high turnover on the organisation | There are hidden costs to labour turnover that are more difficult to quantify, but can have a massive impact on employee engagement. Discuss these examples from the slide:* **Impact on staff left behind** – if there is high turnover in a department the staff who are left might start to feel demoralised and will perhaps be thinking that they should leave as well
* **‘Covering’ the vacancy** – as mentioned above, there is frequently a time gap between an employee leaving and the new recruit starting. In that gap, the work still has to be done, so current team members usually have to share that work amongst themselves, on top of their own job. This can be very demotivating for an employee, especially if it happens regularly because of high turnover, or if it takes a long time to recruit a replacement.
* According to Engage for Success (2014), employees who feel demotivated with, or disengaged from their work, or who find their work stressful, are more likely to resign from their posts. This is perhaps because their psychological contract has been irretrievably broken, or they feel less commitment to the organisation, leading to feelings of disengagement.
 | 17 | Learners to listen, take notes and participate in class discussions throughout, as appropriate. |  |
|  | How to reduce rates of employee turnover | Give out Activity 9 – how to reduce rates of employee turnover. Discuss in class.Possible answers to this are provided on slide 18:* **Improving pay and/or other terms and conditions** of employment (although the company would need to be clear that the likely increase in costs was worthwhile)
* **Increased training and development** opportunities - Increasing people’s skills may increase their motivation and their commitment to the organisation. They could then feel that the organisation cares about their career development, or become less bored with the job they are currently doing. This could well link to levels of engagement.
* **Improving employee involvement** - employees are given the opportunity to state their views on something, or put forward their own ideas. It can make employees feel valued if they think that management are listening to them, and as we saw earlier, also can lead to improved levels of employee engagement
 | 18 | Learners to listen, take notes and participate in class discussions throughout, as appropriate.In pairs, identify different ways that organisations can improve the rates of employee turnover. Be prepared to discuss your answers in class. | **5UEE E4 LO4 Activity 9 – How to reduce rates of employee turnover** |
|  | Creativity, diversity and innovation defined | Read definitions from slide and discussCreativity, in an organisation, is the ability of employees to use their imagination or original ideas to invent a new product or service, and in doing so give the organisation an advantage over its competitors. This links to innovation, which is the action or process of coming up with something new.According to Daniels & MacDonald (2005:1), diversity is:*about recognising the range of differences in people and valuing people as individuals, respecting their differences and their differing needs. It is also about accommodating differences wherever possible so that an individual can play a full part in the working environment.* | 19 | Learners to listen, take notes and participate in class discussions throughout, as appropriate. |  |
|  | Creativity, diversity and innovation, and the links to employee engagement | Give out Activity 10. Students to do consider the activity in pairs, and feedback their thoughts to the class.Use these answers, and the quote on slide 20, to illustrate the links between creativity, diversity and innovation, and employee engagement. | 20 | Learners to listen, take notes and participate in class discussions throughout, as appropriate.In pairs, consider each of the terms 1. Creativity
2. Diversity
3. Innovation

and how they link to employee engagement. Justify your points.For each, can you have one without the other i.e. can you have creativity if your employee engagement levels are low?, and so on.Be prepared to discuss your answers in class. | **5UEE E4 LO4 Activity 10 – Creativity, diversity and innovation and the links to employee engagement** |
|  | Creativity, diversity and innovation, and the links to employee engagement | Further consideration of the links between creativity, diversity and innovation, and employee engagement. Give out Activity 11 – students to complete in pairs, and then feedback to a class discussion. |  | Learners to listen, take notes and participate in class discussions throughout, as appropriate.The 2012 CIPD report Sustainable organisational performance through HR in SMEs challenged organisations to re-evaluate their approaches to innovation and diversity by setting them a series of questions: 1. Are your processes and procedures consuming employees’ freedom and autonomy? How often do you evaluate this balance?
2. Does the level of trust in your organisation, and the extent your values are embraced, support or prevent having looser processes [and thus greater creativity and innovation]?
3. To what extent do people feel empowered to innovate and drive change in line with business goals?

In pairs, consider these questions against an organisation known to you both. Be prepared to discuss your answers in class. | **5UEE E4 LO4 Activity 11 – Creativity, diversity and innovation and the links to employee engagement** |
|  | Creativity, diversity and innovation, and the links to employee engagement | Give out homework activity |  | Homework activity:In your Study Guide, there is a case study on Timpson (this is also reproduced on the Activity sheet). Read through this case study and consider the following questions:1. There are several examples of diversity given in the case study. How do you think these impact on employee engagement, and on business performance as a whole?
2. “Timpson’s recruitment strategy is business-proofed”. What do you understand by this phrase, and how easy is it to “business-proof” an organisation’s recruitment strategy in practice?
3. Compare Timpson to a local organisation known to you. What lessons could that organisation learn from this case study? What might stop them implementing those lessons?
 | **5UEE E4 LO4 Activity 12 – Creativity, diversity and innovation and the links to employee engagement** |
|  | The impact of high levels of employee absence on the organisation | The final organisational outcome and measure to consider is employee absence.Discuss the slide on the costs of high levels of employee absence to an organisation* hiring, and paying for, temporary replacement staff to make sure a customer order is completed, or a service can be provided (e.g. a hospital cannot simply close the doors if they have nurses away because of sickness absence. They need temporary nurses to maintain the service, and will need to pay those wages, as well as the sick pay they are paying to their own absent staff)
* missed sales or factory deadlines due to a lack of trained, experienced employees
* customer satisfaction levels – perhaps caused by an inexperienced or untrained member of staff being asked to do the specialised work of an absent employee
* low morale among colleagues expected to take on extra responsibilities to ‘cover for’ absence
 | 21 | Learners to listen, take notes and participate in class discussions throughout, as appropriate. |  |
|  | The impact of high levels of employee absence on the organisation | Give out activity 13, which is a class discussion on the question “to what extent is employee absence linked to employee engagement?”Answers might include – less likely to lie about illness, and the links between stress and well-being, and employee engagement. | 22 | Learners to listen, take notes and participate in class discussions throughout, as appropriate.Consider the following question and be prepared to discuss in class:To what extent is employee absence linked to employee engagement? | **5UEE E4 LO4 Activity 13 – High levels of employee absence and the links to employee engagement** |
|  | The impact of high levels of employee absence on the organisation | Give out activity 14 – students to complete in pairs and feedback to a class discussionDiscuss slide 23 on the 2009 report by David MacLeod and Nita Clarke *Engaging for success: enhancing performance through employee engagement*. This report suggested that employee engagement initiatives can help lower absence levels by increasing employees’ commitment through:* letting employees know how they can contribute (through employee ‘voice’ initiatives)
* giving them the power to make some decisions themselves rather than trying to control and restrict them
* showing them respect and appreciation

Read through slide 24 from Gallup and discuss.Gallup (2013) also suggest that organisations that make an effort to improve their employees’ engagement levels will also help their workers improve the quality of their lives and their wellbeing, minimizing the costs of decreased productivity resulting from illnesses whilst lowering healthcare and absence costs.  | 23-24 | Learners to listen, take notes and participate in class discussions throughout, as appropriateIn pairs, answer the following:A local employer comes to you and asks your advice. Her organisation has increasing levels of sickness absence, and high labour turnover. She thinks this might be due to low levels of employee engagement. What advice would you give her to:1. find evidence to determine the levels of employee engagement are actually low
2. improve the levels of sickness absence and turnover (by improving levels of employee engagement)?

Be prepared to discuss your answers in class. | **5UEE E4 LO4 Activity 14 – High levels of employee absence and the links to employee engagement** |
|  | The impact of high levels of employee absence on the organisation – how can job design help? | Explain that job design can play a part in reducing employee absence. ‘Job design’ is defined by the CIPD (2016) as: *“the deciding of a job's key contents, from the duties and responsibilities involved to the systems and procedures followed during the role.”*How can this help absence levels and employee engagement? Read through and discuss quote from Soane *et al* (2013):*“meaningful work leads to lower levels of absence because people are engaged with their work”*Give out Activity 15, which discusses how to make work meaningful. Students to complete in pairs and feedback to a class discussion. | 25-26 | Learners to listen, take notes and participate in class discussions throughout, as appropriateIn your pairs consider the quotation from Soane *et al* (2013). What can an organisation do to make work more “meaningful”? Think of as many examples as you can and be prepared to feedback your answers to a class discussion. | **5UEE E4 LO4 Activity 15 – High levels of employee absence and the links to employee engagement and job design** |
|  | Revision of Session | Class discussion – what are the key learning points from this Session? | 27 | Learners to listen, take notes and participate in class discussions throughout, as appropriateComplete Activity 16 – what are the key learning points from this Session? | **5UEE E4 LO4 Activity 16 – Revision** |