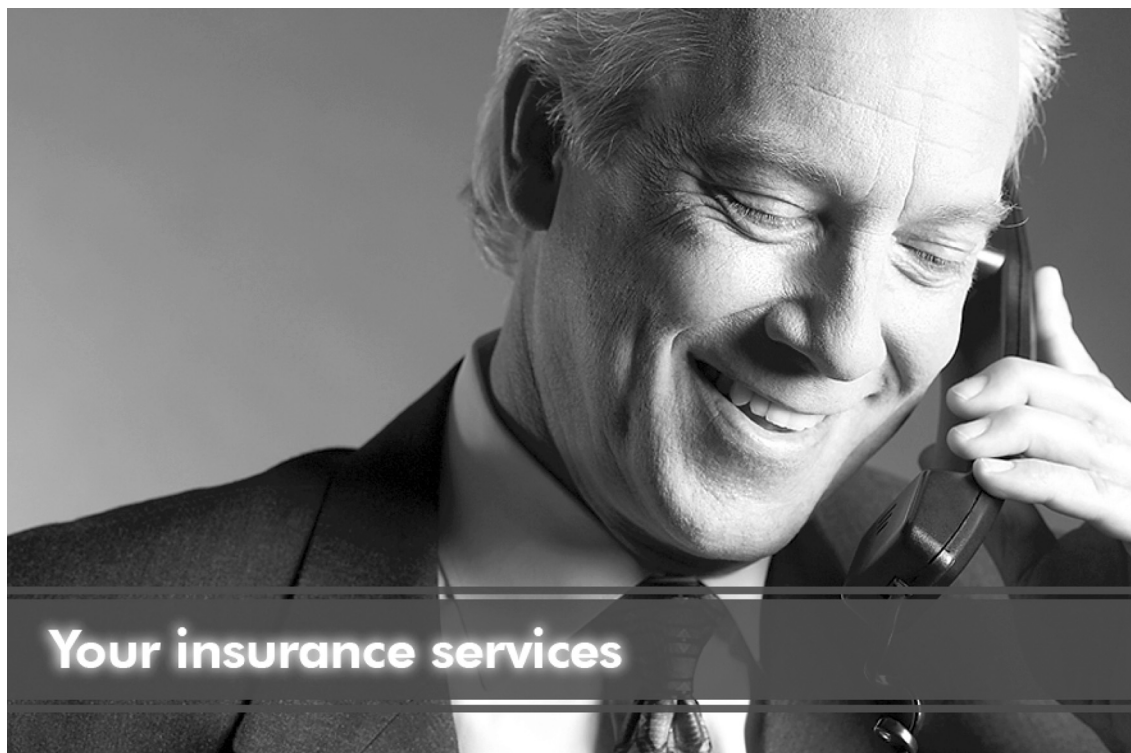


1. The insurance and pensions company *Wellingley Life plc*, known as *WL*, is located in the town of Wellingley. It is a major employer, with over 300 full-time employees. Employees work in different departments, mainly in ‘open-plan’ offices. There is also a call centre at the same site. The insurance and pensions industry is labour-intensive and very competitive, with company mergers and takeovers a major feature in recent years.



- (a) What evidence is there above to suggest that one of *WL*'s main aims should focus on its survival?

.....

.....

.....

.....

.....

(2)



WL is a public limited company (plc).

(b) Outline **two** ways that the financing of *WL* is likely to influence how it operates.

.....

.....

.....

.....

.....

.....

.....

.....

(4)

Some of *WL*'s aims relate directly to its stakeholders.

(c) Complete the table below, giving an example of a *WL* business aim for each stakeholder. The first one has been completed for you.

<i>WL</i>'s employees	<i>WL</i> will create an enjoyable working environment that rewards personal performance and its contribution to company performance
<i>WL</i>'s customers	
<i>WL</i>'s local community	

(4)



The pay structure of *WL* has the following features.

- Employees receive annual salaries, paid monthly.
- These salaries are at or near to the average for the insurance industry.
- Salaries are structured in bands to reflect the different status and responsibility of employees.
- Within each salary band there is a scale, which employees move up based on length of service.

(d) Assess the effectiveness of **any two** of the above features of *WL*'s pay structure in motivating its employees.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(6)



Leave
blank

The directors of *WL* have the following objectives concerning current employees.

- Maintain labour costs at a consistent level.
- Increase labour productivity by 2% per annum.

(e) Examine why the directors might be concerned that *WL*'s existing pay structure **does not** support each of these objectives.

maintain labour costs

.....

.....

.....

.....

.....

increase labour productivity

.....

.....

.....

.....

.....

(4)



2. There is a vacancy for the post of Insurance Clerk (Pensions) at *WL*. The Human Resources Manager has drafted the advertisement below.

An opportunity for a career in pensions has arisen with *Wellingley Life plc*. The successful candidate will undergo 12 months training to develop competence in pension administration. Support will be given to obtain the Retirement Provision Certificate and the Pensions Calculations Diploma.

You will need a flexible attitude to work. A minimum of five GCSEs, including Maths, is required. Experience of administration is desirable.

- (a) Using the above information, list **two** items of information that will appear in the person specification but **not** in the job description.

.....
.....

(2)

Every March, each Head of Department in *WL* holds a performance appraisal interview with individual employees. Training and other targets are set for the employee during the appraisal interview, and these targets are linked to financial bonuses.

The Heads of Department believe that the appraisal process contributes to the efficiency of work in *WL*.

- (b) (i) Describe how holding appraisal interviews will help contribute to the efficiency of work in *WL*.

.....
.....
.....
.....
.....
.....
.....
.....
.....

(4)



Leave
blank

(ii) How could the current appraisal process be changed in order to further improve work efficiency in *WL*?

.....
.....
.....
.....
.....
.....
.....

(4)

(iii) Outline **one** benefit and **one** drawback from using the current appraisal interviews as a method to establish the training needs of *WL* employees.

Benefit

.....
.....
.....
.....

Drawback

.....
.....
.....
.....

(4)



BLANK PAGE

Question 2 continues on the next page.



N 2 9 2 8 5 A 0 1 1 2 0

The following article about *WL* was published recently.

Wellingley Life, one of the UK's largest insurance and pensions companies, has been fined £1.25m for failing to provide compensation to over 11,000 customers who were mis-sold pensions.

Mis-selling occurred as a result of the lack of ethical behaviour, with customers being sold personal pensions by commission-hungry salesmen when these customers would have been better off staying in their employer's scheme.

(c) Define the term 'ethical behaviour'.

.....
.....
.....

(2)

As a result of mis-selling, *WL* was fined £1.25 million for its unethical behaviour.

(d) State **two** likely business effects on *WL* as a result of the publicity surrounding its unethical behaviour.

.....
.....
.....
.....
.....
.....

(2)



Leave
blank

The directors of *WL* now have a Corporate Social Responsibility Policy. The opening statement of this policy is

“As a world leader in financial services, we ensure that we manage our stakeholders’ investments and money responsibly, set benchmarks for other financial services businesses to follow, and continue to review and enhance our business principles.”

(e) List **four** appropriate areas *WL* should cover in its Corporate Social Responsibility Policy to meet the promises made in the opening statement.

.....

.....

.....

.....

.....

.....

.....

(4)



BLANK PAGE

