

# Professionalism and Governance

## Governance Assignment 3 Notes

*(Part 2—Commercial Aspects of Operating a Workplace Pension Scheme)*

*Recommended Time: 2 hours)*

### 1. Case Study:

**You have been asked by your employer to implement a quality management system throughout the pensions department. Prepare a paper for the trustees outlining what this means and what kind of certification might be relevant, the reasons for doing it, how you might do it and what the benefits will be to the overall service.**

Your answer should be presented as a well-structured and organised paper with proper introduction, and discuss the following:

#### What it is?

- usually firm wide mechanism for delivering quality and allocating responsibility for quality
- way of increasing effectiveness and reliability of services
- International Organisation for Standardisation (ISO) is world-wide federation comprising national bodies for standards to promote development of standardisation for exchange of goods and services across national boundaries
- ISO 9001, 9002 and 9003 are quality assurance models providing certification of standards for organisations who comply.
- demonstrates commitment to quality and continuous improvement. To maintain the certificate the employer must submit to regular scrutiny by an approved third party
- Investors in People is another standard of good practice for improving performance through focusing on people. Established in 1993 it also helps with development and running of quality management systems IIP now covers more than 25% of the UK workforce

#### Reasons for doing it:

- provides effective method for establishing, maintaining and changing performance standards in controlled way
- means of preventing, detecting and correcting problems in services
- provides clear performance standards in all areas backed by task requirements/job descriptions, etc.
- means of risk management
- can help deliver quality programme through guidance, criteria, audit and generate commitment to quality
- IIP proved to increase motivation, profitability and productivity
- ISO 9000 helps to control behaviours in customer facing services like pensions but only as part of quality management system which continually assesses performance, reliability, accountability and appropriateness.
- motivates people delivering the service as said by Dr Edward Deming who believes that people want to be proud of what they do
- particularly important in client facing jobs where low motivation can affect client relations – quality management demands observation, feedback and customer surveys
- overall, will lower service risk, encourage people to take ownership and be accountable for what they do for the trustees



How to do it:

- structured approach designed to function whatever and cope with staff turnover at personnel and management levels
- establish a project team including people from the service/product areas. Identify project manager and sponsor(s). Quality Manager for whole organisation needs to be involved
- take quality policy as determined by CEO as template and define quality objectives for pensions
- define responsibilities i.e. those accountable for service areas and prepare job descriptions
- establish the quality system – define the requirements of the customers and the service itself. Put in place relevant procedures to ensure quality using ISO/IIP if chosen. Not essential to apply for certification but helpful in establishing system and in marketing services.
- implement system and review effectiveness. Review should be against objectives.
- identify problems and review operations – develop quality improvement programme
- implement programme by effecting necessary change in controlled manner as required. Audit the programme once established.
- once established document all procedures (will be required by ISO/IIP) and subject documentation to strict change control
- ensure all staff have relevant access to system and procedures
- establish ongoing monitoring process with firm wide quality manager and relevant site or function-based quality responsibilities

Benefits to trustees:

- well-motivated pensions team taking ownership of their responsibilities
- development of staff as needed to deliver effective services
- effective risk management
- good quality customer relations especially in dealing with members for whose interests under the Trust, the trustees are responsible
- encourages interaction with the sponsor on commonality of quality management – helpful re payroll, HR, etc.
- improves ability to deliver compliant service

(The relevant section of the Study Manual is Part 2, Chapter 1.6.)

**60 marks**