



DProf thesis

**Challenges to enhancing employee engagement with pension savings in the UK**

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# **Challenges to Enhancing Employee Engagement with Pension Savings in the UK**

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Submitted

in partial fulfilment for the award of

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Faculty of Professional and Social Sciences

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**Disclaimer**

The views expressed in this research project are those of the author and do not necessarily reflect the views of the supervisory team, Middlesex University, or the examiners of this work.

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## Abstract

The whole arena of pensions and pension schemes may not get the attention from the public which it deserves. For millions of people, pensions are what they come to rely on to survive into old age. The media pick up on many incidents of unfairness and collapsed schemes, or employers misappropriating pension funds. However, there are other very important dimensions that have been overlooked, not least the lack of knowledge and engagement by employees in pension savings and schemes and the choices which could help them maximise their chances of a good outcome. This research project explores employee engagement in the context of pension engagement – the way that pension providers interact with their members. This has been exacerbated by confusions between Defined Benefit (DB) and Defined Contribution (DC) schemes and the implications for the pension holding public. The focus is firstly on the influences of context and an exploration of the literature including an undermining of confidence in pensions and other possible social and behavioural factors to be taken into consideration. Exploratory research (ER) was also carried out on two areas which are commonly believed by the sector as having some influence on employee pension engagement: (i) the influence of the language used in pension statements and (ii) the medium used. ER1 used questionnaires to explore the first area, the findings of which demonstrated that paper communications and modifying the language of these had not been successful in persuading members of the pension scheme to read the benefits statements, nor to be more proactive in seeking information to make important decisions. ER2 was carried out into employees' experiences of face-to-face employer interventions with employees with more positive results. The purpose of this whole research is to illuminate the sector's understanding of the low level of engagement by employees in their pension schemes and to stimulate changes that would encourage this neglected but important area of human behaviour. This neglect can result in a lower quality of life for retired employees and an increased dependency on the state because people are not sufficiently stimulated to be engaged with their pensions to make good decisions earlier. The coherent thread running through the work is my development as a practitioner and researcher with the use of first-person action research. The findings will be fed back to employers and pension providers across the industry through professional networks and publication so that different approaches can be considered to improve practice. The research has already had a significant impact on my senior roles and on my input to my employers at board level.

## Summary Guide to the Research Activities

The purpose that I set out with, and which remained the case throughout, was to contribute to helping employees engage with their pensions statements so that they could make important financial decisions to secure their financial future for their later years.

The aim of any research project that I was going to undertake would be focused around the exploration of the received wisdom in the sector regarding this and the gathering of wider contextual factors that might influence the lack of employee engagement encountered in the sector. By this means, I hoped to inform new approaches and strategies.

What evolved as a research framework was as follows:

1. An approach to the research which would improve my own practice and give me a vehicle to disseminate that (First Person Action Research (FPAR))
2. An exploration of the literature that would unearth other factors in addition to the received wisdom that lack of engagement was due to the language and medium of communication (Knowledge Landscape)
3. The undertaking of Exploratory Research (ER) activities to check the efficacy and effectiveness of the current beliefs regarding the reasons for this lack of engagement (ER1 and ER2)
4. A triangulation of sources on which to base any recommendations to the sector

My approach to the whole project was informed by First Person Action Research (Coughlan and Brydon Miller, 2014), a process of experiential learning, which itself is informed by the principles of Action Learning and Action Research (AR), two concepts which have become, in organisational settings, often entangled. This is due to a number of reasons including time and availability of resources to run AR cycles; the object used for learning, for example, an existing change that can be improved or a vision that needs operationalisation; the emphasis on learning, for example, on what works in the context, or the improved practice of the participants, or both; and the role of the researcher as a team leader, a participant or an agent for change. It is not surprising in relation to the above that I started out with an AR design but due to changing circumstances, not unusual in today's working world, a professional can find themselves moving or being moved as organisations restructure and adapt to globalisation and rapidly shifting market forces. AR cycles can require a long time in one place and role: this was not possible in my case. I therefore chose to use the changes in my roles as an opportunity to carry out Exploratory Research (ER) as a complement to both context and literature research, and to remain informed throughout by the principles of FPAR.

I regard myself as someone who wants to improve my own practice and the practice of others. This is my key motivation in everything I do. I have encountered various kinds of resistance in trying to improve employees' engagement with their pension schemes. Pensions are important for everyone's future security; without them they would be very vulnerable. People have a range of reasons for not even opening a pension statement, ranging from not wishing to think about retirement and death, to fearing that they might not understand what is written on the statements which would increase their anxieties. Pension companies also have a range of reasons for resisting improvements in their practices from a lack of awareness that there is a problem which needs to be addressed, to knowing there is something not quite right but feeling that it is not a priority to address it.

Due to changing roles and companies during the period of this research, I saw that research activities could be exploratory. These latter activities are presented as ER1 and ER2: ER1 was carried out while I was employed by the Pension and Lifetime Savings Association using questionnaires; this was followed later by ER2 which used interviews while I was employed by NOW: Pensions. The findings from the questionnaires refined my focus and influenced the selection of participants and questions for the interviews. It is a so-called 'boundaried' study in its broadest sense in that its boundaries are created by country regulation and events in that country, and it attends to a wide set of challenges in relation to this country's pensions engagement. It was not the intention for the findings to be generalised beyond those boundaries, although as the research proceeded the knowledge landscape may provide some indications of factors for other countries with pensions schemes to explore if they are facing similar issues.

As the researcher I was constantly learning from the methods and results about myself as a practitioner. Although each stage had an impact on individual practitioners in the sector, from raising awareness to changing aspects of employee engagement, I still wanted to collect everything together into a comprehensive work to be made available to the sector and which will be of use to it.

The coherent threads which run through the whole research project are my growing experiential learning as a researcher and practitioner and the small and larger influences on participants of the current engagement methods and practices of the sector (or lack of them) in relation to employee engagement in pension schemes. I have always considered myself more pragmatic than reflective. This research project has indicated that I am, and have become, more reflective in a practical way. As the researcher, and as one who claims the value of experiential learning and being an agent for change, I believe it appropriate to look back on how I arrived at the role I hold today and what drives me towards the general principle that there is always potential for improvement; the challenge is changing that potential into reality.

In the spirit of FPAR, which is a research approach that makes space for reflection on the practitioner researcher's own processes and values as an indicator of reliability, I have included those processes not only to track the root of my own beliefs and values but also to make transparent my own struggles and development as a practitioner researcher in the hope that it may provide support to other professionals entering higher education culture after many years of being absent from it. I acknowledge that my experiences are unique to me and that there are many different experiences, but sharing my process may resonate with some people.

## Chapter 1: Introduction to context/rationale for focus of research

When I first undertook this research, my role was as the manager of the Pension Quality Mark, an award given to pension schemes which could prove that they met certain stringent criteria. By the time I carried out the interview stage of the research, I had become Head of Risk and Governance for NOW: Pensions, a large master trust. I now work for Legal and General as a senior manager in the Conduct Risk team. This team has responsibility for ensuring that the company's practices are likely to result in good customer outcomes.

I take my roles very seriously, in everything that I do and set out to achieve, because my conversation, my guidance, and my acts can all impact the decisions that other people make about their lives and their work. I therefore believe it is very important for myself and for those in contact with me that I trace where my own motivations come from and what my outlook on life is and to recognise that not everyone thinks the same way. However, this has never prevented me from trying my best to achieve something good for others as well as myself. I therefore introduce some reflection on myself into what might otherwise be seen as a dry area for research. I have never really reflected at this level. I tend, like many pragmatists, simply to read the situation and follow my intuition. It is an honest account of my motivations and now understanding more deeply why I wanted to make changes, what those changes were and why they worked or did not work. I can relate to Judi Marshall's idea of living life as inquiry (Marshall (2016)):

*By living life as inquiry, I mean a range of beliefs, strategies and ways of behaving which encourage me to treat little as fixed, finished, clear-cut. Rather I have an image of living continually in process, adjusting, seeing what emerges, bringing things into question. This involves, for example, attempting to open to continual question what I know, feel, do and want, and finding ways to engage actively in this questioning and process its stages. It involves seeking to monitor how what I do relates to what I espouse, and to review this explicitly, possibly in collaboration with others, if there seems to be a mismatch. It involves seeking to maintain curiosity, through inner and outer arcs of attention, about what is happening and what part I am playing in creating and sustaining patterns of action, interaction and non-action.*

### Where do influences on a practitioner researcher and their positionality start?

I did not set out to work in pensions or in any form of high-level administration or bureaucracy but my strong attention to financial security was shaped by my upbringing. The commonalities of such circumstances are shared with many people in the UK today, which is why I am focused on preventing everyone from not having to move back into dire circumstances when they have retired after a lifetime



of work aimed at escaping from them. When I was a very young child, all I wanted to do was work with horses. I always had a pony as my grandfather was a farmer. My four objectives from primary school age were to have a house with a field; a good horse; transport for it; and the ability to afford regular lessons. I did not think then about getting old and the security I would need.

In parallel with this love of horses has been an on-going interest in language. I wrote my first 'novel' at the age of five, continued to scribble away during my teenage years, passed English at A level, joined a writers' group at the age of 17 and went on to study Latin at university with English as a subsidiary. I have continued to write, and currently have six novels available on Amazon. In 2008, I founded my own writers' group which continues to thrive. As language and communication have been of deep interest to me since I was very young, my attention has been drawn to it in my professional life, as will be seen later on in this document

The plan after I finished my Latin degree was to get a job with horses. I worked in a fast-food outlet to avoid having to take out a student loan and, after I graduated, I continued in that role. I also started working at a local equitation and exam centre, but quickly found that the reality was nothing like my dreams. What I found was a lot of mucking out and tack cleaning, and an utter lack of curiosity among my co-workers regarding how things worked and how to improve them.

This naivety may have come about because, having always had my own pony, I had only come into contact with riding schools through the odd one-off lesson and riding holidays. I simply did not realise that it was a zero-wage job (working pupil-ships were unpaid at this time; in fact, pupils had to pay for accommodation) with few prospects for a more intellectually challenging role. And then illness intervened in a way that made physical work something that I had to stop doing.

A variety of temporary office jobs followed until eventually, in 1994 at the age of 23, I found myself working for an insurance company, Confederation Life, which was in the process of being sold to Sun Life of Canada. There I began to pick up some technical knowledge in the field of pensions. I realised that I much preferred this environment to that of the various factories, shops and food outlets where I had worked to date, and when Confederation Life was wound up, I moved to Provident Mutual in the same town. Later, I moved to Century Life in the City of London where my career in the pension industry began in earnest. This was a 'proper career' that would be a means to finance my childhood ambition to work with horses.

I therefore started the nine-part (at the time) Pensions Management Institute examinations, all the while changing employers every few years to work my way up the corporate ladder. I maintained my interest in writing, finishing novels every year or two and continuing to attend the writers' group. By the age of 34, I had achieved my ambition of owning a house with a field, and all the other things that I wanted.

However, it was at that point that I realised that I appeared to have reached a ceiling as far as pensions were concerned. In fact, I had not but that knowledge would take a few more years to emerge. I had never been a particularly good administrator, having been hired several times on the basis of what the employer thought I could do rather than what I could actually do, and I had always felt that I was skating on thin ice, trying to surreptitiously fill the gaps in my knowledge before they were found out. So, when the chance arose to effect an internal transfer to the compliance department, I grabbed it.

It turned out that I was very well suited to compliance as it was more analytical, as well as being completely non-customer facing. The level and type of pensions knowledge that I had – theoretical rather than hands-on – was also perfect for a compliance role and I really felt that I had found my calling. I was still drawn towards the writing side of the role, though, as was shown when I took on the task, unappealing to others, of rewriting the compliance review report template. Meanwhile, I was studying for a master's degree in technical communication. And then I was made redundant.

However, by now I had already achieved enough compliance knowledge and experience to apply for, and be offered, a pure compliance role. Having observed the quality of the documentation produced by the department, I was curious as to whether other people were irritated and dismayed by a lack of attention to basic items such as spelling, grammar and formatting. The core of my dissertation was an experiment to discover whether others shared my impatience with badly finished documents. I was disappointed to discover that, by and large, they did not.

Another change of employer resulted in my starting work for The Pensions Advisory Service (TPAS) in 2009. TPAS is funded by the Department of Work and Pensions (DWP) and, in some ways, is similar to a quango. It provides a free service offering help to members of the public with their pensions' queries and problems, operating much like a Citizens' Advice Bureau but focused on pensions. Anyone can write, telephone, e-mail or have a webchat about any aspect of pensions – state, occupational, personal – and they will receive a comprehensive and accurate answer. TPAS also offers a dispute resolution service, which again is free. The early resolution service recently moved to the Pensions

Ombudsman when TPAS, the Money Advice Service and the Pensions Ombudsman's Service were merged to form a single advice body to simplify the process for clients.

Having finished my Pensions Management Institute examinations, I next decided on a diploma in plain English, not really expecting to learn much from it, but I was pleasantly surprised. As a result of this, I was asked to produce a plain English guide to help TPAS staff with their letter-writing. I wrote a presentation to explain and introduce the guide, which was scheduled and then cancelled three times. This was annoying as I am not used to public speaking and had spent a sleepless night beforehand as well as being coached by a colleague, and I really felt that I was 'showing willing' to push myself so far out of my comfort zone. Although on some levels it was a relief to be spared the ordeal, it was also a let-down, having built myself up to it. It also showed that there was a fundamental disconnect between what the company said it wanted - plain English training for all employees and a higher standard of letter-writing - and what it actually wanted, which was business as usual with people sitting at their desks doing their job instead of going to presentations. This experience has relevance for my choice of issues to explore with regards to pension engagement. While at TPAS, I also rewrote all the standard paragraphs for staff and volunteer advisers and produced a guide on how to use them. I am a great believer in the correct use of language as a tool.

I enjoyed my years at TPAS. It was my first experience of working for a not-for-profit organisation and, with the overriding commercial imperative absent, employees were more able to do their best to help customers without being constrained constantly by budgetary considerations. TPAS is also impartial; it is neither a 'customer champion', nor does it have a vested interest in turning down complaints as it is not they who will have to pay redress.

Through my work at TPAS, I had dealings with many people who were afraid of their finances and baffled by pensions, and who did not know where to start with organising their affairs. Many were pleased and relieved to have someone to talk to who could explain everything without being patronising and in a way which they could understand. In addition, because the service was free at the point of use, they could contact us as many times as they needed to. I found it so satisfying to be able to help people that when I left TPAS, I remained a volunteer adviser, working on cases even now.

One thing that struck me, and which brought together my two interests, was how frequently people were baffled by apparently straightforward language. One customer, for example, rang after receiving a pension quotation, wanting to know if 'per annum' meant 'every month'. Another was baffled by a

form asking for their title under the impression that an honorary title (for example, the Duke of Buckinghamshire) was required. But perhaps the bafflement is best encapsulated by the customer who rang for help with their quotation pack. A colleague who asked them what it said received the reply, 'I don't know, I haven't read it'.

With my Plain English hat on, the further I delved into the subject, the more convinced I became that this was a tool that could be used to demystify pensions for people. There was no need to include phrases such as 'per annum', or baffling references to the Lifetime Allowance (a technically challenging topic even for practitioners), which would only affect a very few, generally clued-up people, or information on the contracted-out deduction which would most likely confuse rather than enlighten the reader.

This feeling has been borne out by several recent on-going initiatives in the pensions industry. There is the Pensions Dashboard which will collate people's pension savings into one place so they can view all their savings from logging into a single portal which will be simple to use. There is also the single-page pension statement, with which I have been peripherally involved. The idea is to produce a single-page template which all insurance companies will have to use, so that policy holders can have one familiar-looking design for all their pension products. The aim is that this will enable them to compare like with like and get an understanding of their entire pension savings. The direction of travel is towards simplification, increasing customer engagement and making people take more responsibility for their own pension savings.

Many of these improvements are well-meaning, and there has been a fair amount of quantitative research on pensions engagement. This has usually taken the form of an 'intervention' being carried out with the change in behaviour modified. For example, an insurance company might send around an email with 'engaging content' and then monitor its effect - an increased percentage of 'hits' on their website, say, or more people deciding to raise the level of their contributions.

These results are useful but limited with respondents being self-selected and, quite likely, more motivated than the average. Based on my work with TPAS, however, I was more interested in what people feel about their pensions rather than simply what the data might say. I was attending pension seminars regularly, and when the various companies presented their research, the evidence that came across the most strongly were those where real people, not someone acting a role, expressed themselves in their own words. This was far livelier and more immediate than a presentation that

simply consisted of PowerPoint slides. It confirmed for me my desire and pragmatic intent to do something involving people's feelings rather than just using statistics. It became quite clear to me that well-intentioned initiatives would flounder if we could not get to grips with why people do not demonstrate any interest in opening their statement in the first place, let alone reading it. This was to come back to me later when I did try an initiative that had little impact.

Undertaking doctoral research into this complex area of motivation and engagement with pensions by employees seemed to be heading in the right direction. I intended to base a research project in the context of TPAS and their intended customers, members of the public to whom pensions are baffling and intimidating. However, having tried three times to get sponsorship from TPAS and failing each time, to be able to afford the doctoral fees, I had to change employers. I moved to the Pensions and Lifetime Savings Association (PLSA) which had the unfortunate effect of also removing me from the demographic that I wanted to help. However, as a volunteer adviser with TPAS, I was able to maintain the connection, albeit indirectly.

My job at PLSA involved working on the Pension Quality Mark (PQM) which is an award given to pension schemes which can prove that they meet certain quality criteria. However, I soon became disillusioned with the PQM. Before joining PLSA, I had been intrigued to discover what PQM could add to the quality of the pensions landscape, above and beyond the increasing stringency of regulations. I discovered that PQM was the brainchild and pet project of the CEO and, in my opinion, was an unnecessary additional layer, a layer requiring fees and applications from schemes to have this quality badge on their products. I preferred to direct my energies towards attaining good member outcomes.

In 2017, I was head-hunted by NOW: Pensions to become their Head of Risk and Governance. I was excited about finally being in a role where I was able to actively do good, rather than doing something that I felt was highly questionable – taking money from pension schemes in exchange for a product which, was to my mind at least, pointless. Sadly, my joy was short-lived. It transpired that NOW: Pensions, despite being responsible for £0.6 bn assets under management and the pension savings of nearly two million people, did not have a risk, compliance and audit department. Instead, I would be responsible for the entire function, only later acquiring an administrative assistant. Initially undeterred, I forged ahead, but it did not take long to discover that my personal and professional values did not resonate with those of the organisation and their failure, for whatever reasons, to address pressing matters. My suggestions regarding rectification were resisted, putting me into a very stressful situation with a level of accountability that I could never fulfil in the circumstances. After

eighteen months in the role, it was almost a relief to be made redundant, ahead of the sale of the company.

It should be noted, however, that NOW: Pensions did provide the backdrop to the ER2 part of my doctoral research (ER1 had been carried out while I was employed by PLSA). I had always wanted to research the feelings of ordinary pensions savers which I explain more fully later. I was also still drawn to the power of the written word. It is widely known in the industry that people do not tend to engage with their pension savings. Having been involved with the production of pension statements and with the one-page (in fact, one-sheet as the page was printed on both sides) pension statement project, I wondered whether a 'plain English' version might improve engagement.

Therefore, I decided to undertake exploratory research mainly focused on language. This subsequently became Exploratory Research 1 (ER1) of my doctoral research project. I conducted a series of on-line tests to see whether people preferred one phrase or term to another, the objective being to refine and refine the content until I reached a 'magic bullet' pension statement. This swiftly proved to be fallacious as I discovered that no-one is very interested in this sort of thing. I realised that I had pitched my research at the wrong level. If people cannot even be persuaded to open their pension statement, then it does not really matter what language is used as they will never see it. I would say that this was my first understanding of Action Learning (AL). According to Dilworth and Willis (2003), AL is:

a process of reflecting on one's work and beliefs in the supportive/confrontational environment of one's peers for the purpose of gaining new insights and resolving real business and community problems in real time

I then embarked on a second piece of Exploratory Research (ER2), stimulated by my own response to face-to-face presentations supported by visual devices which I had myself experienced as being useful. Having set aside pension statements as a means of communication, I wondered whether a face-to-face presentation would have a measurable effect on other people's feelings towards their savings. My work on the PQM had made me aware that some of the more paternalistic employers held workshops or roadshows for their employees which explained the benefits of the pension scheme and allowed them to ask questions. If I could determine that an employee presentation created a measurable change in attitude, then it might be that all the hours and hours which the NOW: Pensions communications team (and, by extrapolation, many similar teams in other companies) lavished on arguments on minutiae such as the placement of commas in a pension statement could be better

spent on an employee presentation. I know first-hand what an agonising and iterative process the generation of pension statements is.

I knew that NOW: Pensions had a presentation intended for new joiners which covered the pension scheme and that it had been given inconsistently, making it likely that I could find people who either had or had not seen the presentation. I could interview them, concentrating on feelings, and seeing whether there was a statistically significant difference in attitude between the two groups.

At the time, the HR department was intending to update and refresh the new joiner presentation, and I was hoping to have some input in to this. Unfortunately, also at this time, the new regulatory regime requiring all master trusts to become authorised came into force, and all available resources were dedicated towards this new objective. If NOW: Pensions did not achieve authorisation, then it would have to wind up, transferring all members elsewhere and closing the company. This meant that non-core activities such as improvements to HR processes were no longer able to be pursued.

A few days before being made redundant, I had been offered a job at Legal and General (L&G) - the timing was coincidental but extremely helpful - where I am now a medium-sized fish in a very large ocean. L&G is often thought of as an old-fashioned general insurance company: though it is, in reality, very much more than that.

Founded in 1836 as a general insurance company, L&G is today a vast organisation, helping over ten million people across the world with, among other things, their savings, investments, plans for retirement and insurance. It is a top-twenty global asset manager and the UK's largest provider of individual life assurance products, leading the market for managing retirement risk for pension schemes in the UK and US. Its figures are impressive – it has £1.015 tn of assets under management, £63 bn of pension assets and £19 bn of direct UK assets. Recently in the UK, it has begun to invest in socially responsible schemes connected to affordable housing and urban regeneration, something that appeals to my own set of values.

Since starting my doctoral research, my direct, day-to-day involvement in pensions has diminished as my roles have become more specialised though I do still have frequent contact with people who work in that area. As a result of these contacts, I am confident that I will be able to use the findings from my doctoral research for the benefit of both employees and the pensions industry. My present role is more influential than it was before, and I am delighted that I am now in a more senior position to have more widespread influence.

## Summary

Now I had a rationale for my research focus of employee engagement in pensions and for exploring issues around feelings as well as behaviours. This thinking had arisen out of my experiential learning, out of my experiences in sector companies, and out of my engagement with confused employees and retired employees. I now needed to check that reasoning, gained through experiential and technical learning, with knowledge that was already in the public domain from a range of perspectives and possible explanations to confirm or adjust my focus. However, I also had to experiment to eliminate and/or confirm some of the reasons that the sector gave for the lack of employee engagement. The most common of these was the language used in statements, the other ubiquitous reason being how pensions were presented to employees. The following chapter presents a range of factors extracted from the knowledge already existing in the public domain, the discovery of which widened my own focus and understanding.



## Chapter 2: Knowledge Landscape

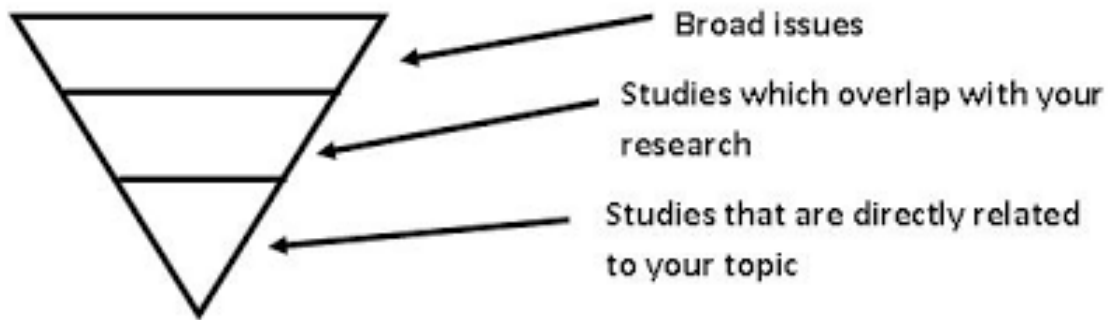
### Introduction: range of literature

I now knew what the more distilled focus would be and had reflected on both my motivations and my positioning and context. The next step was to explore literature that would help me to further refine my focus, validate it and inform my research design. This included areas such as the recent changes, mainly related to Defined Benefit (DB) and Defined Contribution (DC) schemes, in the pensions landscape, which were often poorly communicated to employees; the psychology of behaviours; resistance to retirement; pension regulations; and scandals undermining confidence, which final point led me to include writings on trust. The literature itself soon became an important resource that could be used by the sector when designing engagement strategies. I also explored research methods and practitioner research discourses which would inform both my selection of the appropriate research design, and the interpretation of the results and its potential to make a difference in my sector.

In this chapter, I draw on the landscape of academic and professional literature from a range of sources. It seemed to me that a logical place to start was with the work of academics who have made a study of the pensions landscape and connected areas, to ascertain the features which they thought were particularly noteworthy. Building on this, I was guided by my academic readings towards the main milestones of pensions history, and I immersed myself in learning as much as possible about legislative changes as well as trends which have had an effect on pension provision, and events which are likely to have strongly influenced people's attitudes towards pensions. In parallel, I researched practice theory, building on my understanding of it and assessing the items which might be of practical use to me. As a result of this rewarding and far-ranging process, an issue emerged that I felt was worthy of dedicated research – pension engagement and how it might be achieved.

The traditional approach to a literature review is to use the funnel method, as shown in Figure 2 overleaf (taken from an undated page on the University of Brighton's ASK website). However, it seemed to me that there was a variety of disparate literatures feeding into one central point, rather than a series of 'sieves' serving to refine my thinking in a linear manner.

**Figure 2**



While reading about how other researchers have structured their literature reviews, I came across a 'wheel' approach (Figure 3). This seemed such a very good fit for the composition of the body of reading that I had carried out that I was delighted to adopt it. All six elements of the flower in Figure 3 feed into the 'pension engagement' centre of the wheel, rather than forming a linear hierarchy.

**Figure 3**



### Academic contributions in the field of pensions

I started my literature review by collating and assessing the writings of prominent academics whose area of expertise was the financial and pensions sector, to ascertain which matters they thought were most problematic and to which phenomena I could usefully direct my attention.

Recently, several large pension schemes (those associated with Bernard Matthews and BHS, for example) were short-changed following the sale of their sponsoring employer. In this regard, I saw that Professor Prem Sikka of the University of Essex compiled a report on the Bernard Matthews' deal for the Parliamentary Work and Pensions Select Committee. As Professor Sikka comments:

The administration strategy seems to have been carefully crafted to enable secured creditors and controllers of Bernard Matthews to extract maximum cash from the company and dump the pension scheme and other liabilities<sup>1</sup>.

The professor goes on to say that no attention had been paid to the hardship caused to retired and existing employees.

I was already interested in people's feelings towards pension savings: now I realised that I needed to familiarise myself with other pension 'scandals' that had emerged, in order to consider whether they might have had a cumulative effect on attitude.

Following on from Professor Sikka's input, the Select Committee requested that the Government introduce a new Pensions Bill to strengthen the regulations applying to pensions. This was another area which I decided might form a useful background for further investigation – how legislation has been laid to address emerging problems with pensions saving.

Another concern highlighted by Professor Sikka is the inadequacy of the state pension. The Social Market Foundation has long been urging the government to erode the state pension by replacing the current guaranteed triple-lock increase with a double-lock by removing the promised 2.5% rise, leaving it based on the higher of earnings growth or the Consumer Price Index. The professor notes that in 2018 the state pension, which is the main source of income for many retirees, only amounted to 29% of average earnings.

Again, this was a factor that helped to shape my thinking: if people are disengaged from pension saving, perhaps they might not realise that the state pension is likely to be an inadequate source of income, and might not appreciate the importance of saving into a pension scheme until it is too late.

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<sup>1</sup> Quoted in the Actuarial Post <http://www.actuarialpost.co.uk/article/briefing-on-pensions-pre-pack-agreement-for-bernard-matthews-10187.htm>

In his paper on the pensions crisis<sup>2</sup>, Professor Sikka states that a decent pension is literally a matter of life and death, that low pensions condemn people to poverty, and that the UK has one of the lowest state pensions among the industrialised western countries. He notes that:

Many people have saved for pensions through occupational pension schemes and personal pension schemes, only to find their retirement security shattered. Too many companies are closing final salary schemes, or not providing any pension scheme. In many cases, employees are making higher contributions for lower pensions. Such tactics help to increase company profits, but do nothing for social cohesion, justice and fairness. Companies are closing or diluting good pension schemes, while their executives enjoy bumper pension pots. Many self-employed people have paid into personal pension plans but get derisory returns.

The comments validated my instinct that my research into pensions engagement was worthwhile in that pensions *really are* a matter of life and death to many people. They strengthened my resolve to help pension savers achieve good outcomes.

Professor Sikka points out that the pension debate is being used by many to shift costs from companies to employees and retired citizens, reinforcing my belief that the shift from DB to DC schemes has made engagement more important than ever, and prompting me to explore the background to the decline of DB schemes and the ascendance of DC schemes. This led me to the work of Professor Atul Shah at the University of Sussex.

In his work, Professor Shah has offered insights into the public's understanding of basic financial terminology, quoting a survey carried out by the Money Advice Service which uncovered that out of 3,000 adults, 32% did not understand the meaning of interest and a further 32% did not understand the meaning of budget. In addition, a majority of people do not read the terms and conditions of a financial contract. This, together with the professor's assertion that complexity and jargon have been used to deceive rather than to be fair and transparent, made me reflect on my time at the Pensions Advisory Service and as a volunteer adviser, and caused me to wonder whether there would be a way to achieve greater engagement through use of plain English. The result was the first Exploratory Research part (ER1) of my project in which I sought to find wordings that people would find engaging.

Professor Shah proposes the need for a grassroots financial literacy drive if we want families to be truly independent and financially stable. This struck a chord with me which I attend to in my

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<sup>2</sup> <http://visar.csustan.edu/aaba/PensionsMongraph.pdf>

recommendations one of which will be a mandatory webinar that is given to all members of pension schemes, designed to increase their understanding of pension saving and associated matters.

I was intrigued by a paper which Professor Shah presented at the BAFA annual conference in March 2015<sup>3</sup>. Early in the paper, he says that financial risk is a very real problem and a significant issue in modern society, and that the loss of a pension could mean hunger, illness and misery for an old-age pensioner. In extreme cases, it has led to mental health breakdown and even suicide. This reinforced my thinking that research into pensions engagement was very much needed, and that it might even be able to prevent people from entering into an under-resourced and gloomy retirement, and further encouraged me to pursue my research ideas.

Professor Shah also noted the large number of financial scandals that has emerged over recent years, relating to the mis-selling of mortgages, payment protection insurance, pensions and savings products. This aligned with the thinking of Professor Sikka and strengthened my growing view that these scandals will have had a bearing on people's attitudes towards pension saving.

Professor Sikka states that basic financial literacy can be a huge asset to protect individuals from financial risk. This finding gave me even more confidence in my evidence-supported recommendation that an educational webinar could have real value to many people.

It was very useful to read the research of academics as it confirmed for me that I was on the right path, and made me realise that I was pursuing something worthwhile and of practical use, while also reassuring me that I had correctly identified the features of note in the pensions landscape. In the next section, I focus on one of the most serious issues raised by Professor Sikka which is the change from DB to DC schemes – a worthy factor to consider in the context of this research.

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<sup>3</sup> <https://www.coursehero.com/file/13906873/Defining-Financial-Risk/>

## Decline of Defined Benefit (DB) schemes/rise of Defined Contribution (DC) schemes

### The decline of the Defined Benefit scheme

DB schemes have been disappearing from the pensions landscape for some time, with their decline beginning as long ago as the 1970s. In 1967, membership of private-sector schemes reached its highest point of 8 million active members (the figure reflects employees who were in the scheme and still actively working for the sponsoring employer with contributions being paid by them or on their behalf); this figure had declined to 5.6 million by 1991 and, according to the latest figures available from the Office for National Statistics, currently stands at 1.1 million.<sup>4</sup>

The decline and near-demise of the DB scheme cannot be attributed to any single factor, but rather to several factors acting together. Some of these might have been relatively harmless taken in isolation, but when added to the others, attained critical mass.

For example, it used to be that a scheme could be wound up (closed) without the employer having to secure the employees' benefits with an insurer; now, an employer must do this if they are solvent. People leaving a scheme before 1986 were not necessarily entitled to a benefit that would be preserved within the scheme; successive legislation has given leavers more and more entitlement to a benefit. The Finance Act of 1986 capped the amount of surplus that an employer could hold within the scheme (there were tax advantages to the holding of a surplus); this prompted employers to take premium 'holidays' in order to reduce the surplus.

A more significant factor was the abolition of dividend tax credits in 1997. Previously, pension schemes had received a 20% tax credit on dividends that they received from UK companies, the purpose of this being to offset the corporation tax on profits that the companies had already paid. This change had a notable impact on scheme funding.

There was a constant stream of legislation, all of which had an incremental cost to the sponsoring employer. Financial Reporting Standard 17 (FRS17), which was introduced in 2002, mandated that any surpluses and/or underfunding of pension schemes must appear on an employer's accounting balance sheets. This introduced an unwelcome volatility, making underfunding issues transparent both to

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[ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/pensionssavingsandinvestments/bulletins/occupationalpensionschemessurvey/2018](https://ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/pensionssavingsandinvestments/bulletins/occupationalpensionschemessurvey/2018)

shareholders and to parties interested in mergers or acquisitions. A statutory funding objective (target) was brought in by the Pensions Act 2004, using prudent assumptions which required a higher level of funding. There was the introduction of a levy to pay for the Pension Protection Fund (this is a safety net for members of DB schemes where the scheme's sponsoring employer has become insolvent and there is a funding issue with the scheme). And when the option of contracting out of the state second pension on a DB basis ended in 2012, schemes had to reconcile the amount of Guaranteed Minimum Pension (GMP) that they held against HMRC's records, which was a resource-intensive, and therefore expensive, exercise.

On top of the legislative changes, there were shifts in the UK and global economy, all of which had an effect on DB pension schemes. Until the second half of the 1990s, good rates of return on the stock market had helped to keep affordable the required level of contribution to a DB scheme. For example, between 1974 and 2000, the average real rate of return on UK equities was 13%, compared with an average of around 5.5% for the whole of the 20<sup>th</sup> century.

There have also been financial consequences from Quantitative Easing (QE), a tool used by the Bank of England following the financial crisis of 2007-2008. QE can lead to an increase in a scheme's assets but there is a larger effect on the decrease in the discount rate used to work out its liabilities. It has been estimated that for every £1 increase in assets produced by QE, there is a £5 increase in liabilities.

Changes in work patterns and demographics have also contributed to the demise of the DB scheme. Nowadays, fewer than 5% of employees spend their whole career with the same employer; it is estimated that the average employee will have eleven different jobs during their working life, and one complete career change and, as a result, may prefer the transparency and portability of a DC scheme. An employer with a DB scheme may find it expensive to continue to hold deferred pensions within the scheme (a deferred pension is the pension benefits held by an employee who has left the pension scheme). These benefits must be increased as specified in the scheme's rules. If there is a high rate of increase, for example, in line with RPI, and if there is a GMP within the benefits, the required rate of increase could easily outstrip the investment growth that the scheme is able to achieve.

A further significant problem has been caused by longevity. At the age of 65, in 1981 the average male was expected to live for another 14 years; by 2016 this life expectancy had increased to 22 years, meaning that the scheme would have to fund an extra eight years of pension payments. Even a one-year increase in longevity has been calculated add 4½% to a scheme's liabilities.

These constantly spiralling costs are simply not sustainable. In the 1950s, the cost of funding a DB scheme was around 11% of payroll; this figure had risen to 25% by the early 2000s. The bottom line is that an employer has to balance the needs of their scheme with the ongoing survival of the company, and this has inevitably meant the closure of many DB schemes.

## Stakeholder pensions

In the 1990s, it became apparent to the government that the system of pension provision in place at the time was inadequate. A command paper was published in 1998 (copies are not available as they were not put on the internet at this time) stating that ‘the current pension system does not provide adequate security for people who cannot afford to save and does not have the trust of people who can afford to do more to help themselves’. In the paper, the government says that their objectives are ‘to provide security for those who cannot provide for themselves and to make it easier for people who can save, to do so’, and comments that ‘the current pension system fails to provide security for those people who cannot provide for themselves in retirement either because they are outside the labour market or because their earnings are low’.

The paper goes on to explain the government’s understanding of the reasons for this: these include changes in the nature of occupational pension schemes; changes in the labour market which require different pension products; the shortcomings of personal pensions (high charges compared with employer-sponsored occupational schemes); poor information; and a general lack of trust in the pension system.

The paper notes that in order to solve these problems, action needed to be taken ‘to educate people about pensions and provide better, more secure pension schemes which give them confidence and restore trust’.

Following on from this, the Welfare Reform Bill<sup>5</sup> was published which proposed a wide range of changes to social security and pensions legislation and which included setting out the framework for stakeholder pensions.

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<sup>5</sup> [commonslibrary.parliament.uk/research-briefings/rp99-19/](https://commonslibrary.parliament.uk/research-briefings/rp99-19/)



It was stated that the aim of the pensions reforms was to set up a new framework for 'flexible, secure and value-for-money' stakeholder pension schemes. The paper also acknowledged that there needed to be 'improved understanding of pensions, enabling people to make the right choices, with the expected consequence (being) that more will save for retirement'.

From October 2001, employers with five or more employees had to comply with the access arrangements for stakeholder pensions. Stakeholder schemes were inclusive in that there were no restrictions on eligibility for membership, except where the scheme was governed by a board of trustees. In those cases, membership could be restricted to people working for a particular employer, in a particular trade or profession, or to members of a particular organisation. The minimum contribution (regular or single premium) could not be set above £20 net of basic rate tax, the aim being to make stakeholder pensions accessible even for low earners. Tax rebate and protected rights payments had to be accepted irrespective of size. Total charges could not exceed 1/365% of the fund value for each day the fund is held (i.e. 1% pa).

The requirements for employers included identifying a scheme and supplying details of it to all relevant employees; allowing employees reasonable access to representatives of the scheme; and deducting contributions from wages and paying them to the designated schemes if the employee requested this. Employers were not required to contribute to an employee's stakeholder pension. Penalties for non-compliance included fines of up to £5,000 for an individual acting as an employer and up to £50,000 for a company.

Early figures published by the Association of British Insurers in August 2001 showed that nearly 90,000 employers had designated a stakeholder pension scheme for their employees, and that almost 225,000 stakeholder pensions were sold in the first three months since they had been launched in April 2001 (though this figure did include conversions from pre-existing pension arrangements).

Initially, it appeared that the introduction of stakeholder pensions had had little effect on the level of retirement saving; however, a study carried out by Disney, Richard et al (2010) produced a more nuanced conclusion. The authors of the study note that the numbers covered by private pensions had remained static and there had been a downward trend in pension saving over the years 1999 to 2002, a period spanning the 2001 reform. They find that that the trend of falling pension saving was partially counteracted by the introduction of stakeholder pensions, and that the underlying decline in private retirement saving in the early part of the decade would have been greater had it not been for the

introduction of stakeholder pensions. However, the apparent failure of the stakeholder pension reform was one factor that encouraged the government to introduce further pension reforms, which culminated in the launch of automatic enrolment.

## Automatic enrolment

Automatic enrolment, which formed part of the government's workplace pension reforms, was brought in to counteract the growing concern that while people were living longer and healthier lives, they were saving less for their retirement. As the ratio of workers to those of a pensionable age continued to fall, the government estimated that as many as seven million people were currently not saving enough for an adequate retirement income.

Against the background of the decline of DB schemes, increased longevity and the falling value of the state pension, in 2002 the government created the Pensions Commission which was tasked with keeping the regime for UK private pensions and long-term savings under review, and advising the Secretary of State for Work and Pensions whether it might be necessary to introduce an element of compulsion to occupational pension saving.

The Commission found that 60% of workers (mostly in the private sector) were saving either too little or not at all and would therefore be obliged to rely on the state pension as their predominant post-retirement source of income. To address this concern, the Commission proposed that all employers should be compelled to offer their employees a pension. Employees would be enrolled into a pension scheme by default, although they could opt out. This was called 'automatic enrolment'.

It also proposed the creation of a new low-cost National Pensions Savings Scheme (NPSS) for employers to use as the market, not surprisingly, was reluctant to take on unprofitable low-income savers, particularly having witnessed the poor returns associated with the stakeholder-pension market. The NPSS evolved into NEST – the National Employment Savings Trust. NEST was set up using a loan from the DWP and part of its obligations as a condition of having received this loan is that it is obliged to accept all employers who wish to join, regardless of size. Employers with good existing pension schemes would be allowed to continue to offer these to their employees, provided that they met certain criteria.

The Pensions Act 2008 laid out the framework for automatic enrolment, and the obligation of employers to perform their duties in line with legislation has been 'staged' over time. The largest employers began staging (i.e., complying with their duties) in 2012, small and medium employers in 2014, and micro employers (those with under 50 employees) later. Virtually all employers had been staged by 2017. Minimum contribution rates were phased in, beginning at levels of 1% of qualifying earnings employer contribution and a 1% employee contribution. These figures started to rise in 2017, reaching levels of 3% employer contribution and 4% employee contribution by late 2018: the current rate is a total minimum contribution of 8%, of which no less than 3% must come from the employer. (There are exceptions to the requirements to automatically enrol employees, mostly related to age and salary, but these are somewhat complex.) Around 10 million people have now been automatically enrolled (figure correct as at February 2019).

## Pension 'scandals'

### Loss of confidence in pensions

There has been a series of unfortunate events in the UK pensions landscape, any one of which would have served to undermine the public's confidence in the system. Taken together, the cumulative effect has been such that it is not surprising that people have misgivings about pension saving in general.

### Personal pension mis-selling

As mentioned above, the 1986 Social Security Act introduced personal pensions, and also allowed employees to opt out of their employer's pension scheme while continuing to remain employed, with the disadvantages already discussed, such as losing the benefit of the employer's contribution and giving up the certainty of the DB promise. The Securities and Investments Board, a forerunner of the Financial Conduct Authority, compelled all insurance companies who had sold personal pensions to those who had the option of a company scheme to carry out a review of every sale. If it was discovered that the member had been disadvantaged by opting out of their occupational scheme (the method for carrying out the calculations and the assumptions to be used were mandated), then the insurance company was required to give the member redress. This redress could take the form of putting the member back into their occupational scheme (reinstatement) and paying any shortfall to the employer's scheme, or by making a lump sum payment to the member's personal scheme if reinstatement was no longer possible.

It is estimated that 1.5m– 2m people have been affected. The compensation bill to the industry topped £4bn with the total cost in excess of £11bn. This whole process has had a significant effect on people's trust in the quality of the advice provided by an Independent Financial Advisers (IFA) due to the sheer scale of the numbers involved. Even though it may have served to reinforce the value of a DB scheme, the overall effect may have been to taint the industry.

## The Maxwell Scandal

The Maxwell Scandal refers to the misappropriation of £440 million of assets from the occupational DB pension schemes of the companies which were run by the tycoon Robert Maxwell.

Following Maxwell's death in 1991, it became clear that he had embezzled a large amount of money from the pension fund of Mirror Group Newspapers. As a result of this, The Pension Law Review Committee (also known as the Goode committee as it was chaired by Roy Goode, professor of English law at Oxford University) was set up to revise the regulatory framework for occupational DB pension schemes, and to investigate ways to improve the running of pension schemes. The report ran to over 1,000 pages and made a total of 218 recommendations.

The findings of the Goode Report led to amendments to the Pensions Act 1995. The main features of the Act included the establishment of the Occupational Pensions Regulatory Authority (this later became the Pensions Regulator); setting up a Minimum Funding Requirement to ensure that all pension schemes had a minimum amount of money; creating a compensation fund for pension schemes in the event of fraud; and providing protection for existing pension scheme benefits so that they could not be reduced in the future without member consent. There were also requirements for pension schemes to have member-nominated trustees; to provide greater disclosure of information to members; to introduce clear documentation showing what should be paid into a scheme, and to provide monitoring of those contributions; and providing a minimum rate of increase to apply to any pension earned after the date on which the Act came into force.

## National Bus Company

When the National Bus Company was privatised in the late 1980s, the Treasury removed £168 million from the company's pension scheme surplus. It felt able to do this because the Conservative government allowed the surplus to be counted as an asset of the privatised company. A scheme surplus occurs where a scheme is holding more funds than the amount calculated as being required

to pay its future liabilities. The official Pensions Ombudsman ruled in 1996 that the money had to be repaid, but Sir George Young, secretary of state for transport, refused to abide by the ruling. As a result, the case went to the High Court where it was decided in favour of the pensioners.

The case took place at the same time as firms were taking pension 'contribution holidays,' that is, suspending their contributions into their scheme as rising stock markets in the 1990s helped produce pension fund surpluses. Falling stock market returns around the turn of the century, combined with the introduction of a new accounting standard to calculate pension fund liabilities, pushed many funds into deficit, however.

As with the Maxwell scandal, this third-party removal of money is likely to have caused members of even well-run pension funds to fear that the scheme assets might not always be out of reach of the company's owners.

### Equitable Life

In 2000, Equitable Life, which was founded in 1762 and was therefore the UK's oldest life insurance company, was hit by a major financial scandal which caused it to almost collapse. It had made pay-out promises to its pension policy holders that it was not able to keep, as it had failed to put enough money aside. In response, the company then tried to re-interpret the contracts in order to reduce its pay-out requirements.

Following a test case that was ultimately decided by the House of Lords in early 2000, it was determined that the company's proposed treatment of its pension policy holders was illegal. As a result, it was forced to reorganise its finances by greatly reducing the value of its savers' policies to bring them into line with reality. The firm was compelled to reduce the value of pension pots being accumulated by savers and to cut pensions that were already being paid to some of its customers. It put itself up for sale but, having attracted no bids, was forced to close permanently to new business by the end of that year.

The government said that it would compensate savers for their 'relative loss as a consequence of regulatory failure,' and eventually a total of c£1.8 billion was added to 261,000 policies, producing an average payment of £6,900.

The public perception, that one of best-known and most respected insurers had made pension promises that it could not afford to keep, and that the regulators had failed to prevent this failure, again will have contributed to general scepticism about the value of saving for a pension.

### Freestanding Additional Voluntary Contribution (FSAVC)

Where a member wanted to pay more into their DB pension than the scheme allowed, they could instead make extra contributions to their employer's AVC arrangement. AVCs are usually defined contribution schemes, designed to allow additional saving. They often provide good value for money due to the sponsoring employer being able to obtain favourable terms.

However, some people were persuaded to take out an individual Freestanding AVC (FSAVC) policy and were not told about the differences between an AVC and an FSAVC. For example, they might not have been told about the higher costs involved with an FSAVC, or about how their funds were invested, or that their employer might contribute to an AVC but not to an FSAVC.

Although the Financial Services Authority (the predecessor of the Financial Conduct Authority) did not insist that companies reviewed the selling of FSAVCs as part of the personal pension mis-selling review, it was still possible for individuals to demand that their case was appraised, with compensation being paid where it was due.

### State Earnings Related Pensions (SERPS) mis-selling

The State Earnings Related Pension Scheme was introduced in the 1970s as a top-up to the basic State Pension; it is often referred to as the Additional State Pension. It was replaced by the State Second Pension, which was itself replaced in 2016 by a new state pension.

Many people were advised to opt out of SERPS and instead had their National Insurance rebates paid into a personal pension in the hope that this would provide them with better retirement benefits. However, in some cases they would have been better off staying put in SERPS than contracting out, which is why those who were advised to opt out may be able to claim compensation, subject to meeting criteria relating to the date of the advice, and their age and earnings at the time.

In these cases, individuals may feel they would have benefited by taking no action and staying within SERPS, rather than 'engaging' with an IFA.

## British Steel

Tata Steel is the sponsor for the British Steel Pension Scheme (BSPS), which in 2016 had total funds estimated at £15 billion, made up of the retirement savings of thousands of current employees and over 100,000 retired steelworkers.

Tata Steel threatened to withdraw from the UK altogether, faced with growing competition and a pension scheme deficit of £700mn. To safeguard the scheme and 8,000 jobs, the government in conjunction with The Pensions Regulator (TPR) allowed Tata Steel to restructure the pension scheme.

Members of the scheme were given the option to transfer their savings to a new scheme (BSPS), transfer them to the Pension Protection Fund (PPF) or transfer them into an alternative arrangement such as a personal pension. The new BSPS offered lower benefits while the benefits in the PPF are subject to limits and a cap; subsequently many members transferred their benefits out.

Unfortunately, this resulted in a wave of mis-selling. BSPS members were targeted by IFAs advertising high-risk, alternative investments with exorbitant charging structures and high exit penalties. The BSPS claimed that since March 2017, it had processed 2,600 pension transfers with a total value of £1.1bn. In multiple cases, the transfer values were greater than £1mn. It is not so much that the volume of transfers is problematic, rather that there are concerns that a proportion of former members may have been badly advised.

## British Home Stores (BHS)

Sir Philip Green sold BHS in March 2015 for £1: one year later, it fell into administration with a pension fund deficit of £571mn and the loss of 11,000 jobs. The £571mn was calculated using a buyout basis, which is the amount that it would cost to buy each member their equivalent benefits with an insurer. If BHS were still trading, the amount needed to fund the deficit would have been around £350mn.

Fluctuations in investment returns, the strain placed on the fund by increasing longevity and changes to the methodology for calculating the value of assets and liabilities mean that many DB schemes are underfunded, and it is usual for a recovery plan to be put into place. Normally a plan is agreed that will allow the debt to be repaid within 10-15 years; when it was discovered in 2013 that the scheme

had a deficit, a 23-year plan was agreed between the scheme trustees and BHS, allowing the company to pay an extra £9.5mn a year. It has since been argued that this plan was not really adequate.

TPR carried out a full investigation, and in June 2017, published a report outlining the actions it had taken. It had issued warning notices to Sir Philip and other connected parties and had negotiated a payment of £363mn into the scheme, which was sufficient to secure the members' benefits in a new scheme. A buyout exercise has subsequently been carried out. The BHS scandal caused TPR to make improvements to its performance. These improvements included obtaining additional funding from the DWP to undertake higher volumes of casework more quickly, proactively working more efficiently, and also being more proactive where TPR is trying to secure additional funding for schemes.

The British Steel and BHS cases are recent high-profile examples where very large and well-known employers have accumulated substantial pension scheme deficits that they could not afford to service. In each case, public perceptions of the security of large occupational pensions schemes is likely to have been damaged.

From these events, it became clear that a lower level of trust in pensions schemes would be an inevitable outcome from such scandals and might also be a possible factor in inhibiting engagement with pension schemes. This conclusion led me to explore literature on trust.

### Trust in pensions and financial services

Trust in pensions is held by some commentators to be an important component of a commitment to saving. Indeed, Harris & Lyon (2013) find that 'trust is vital...when people are opening themselves up to vulnerabilities and risk' (p 109). The Government Office for Science published a report in 2012<sup>6</sup> in which it states that 'there appears to be an erosion of trust in the financial sector as a whole'. The report went on to say, 'In all but the most trivial kind of transaction, in which both parties are physically present and the object of the transaction is visible and tested, an element of trust is desirable and necessary to facilitate the bargain', and that 'the seller will typically have more information about what is being sold than will the buyer. If there is no trust at all, there will be no transaction, and if there is little trust, the transaction will not start to take place'.

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According to Devlin et al (2015), fostering and maintaining high levels of trust in the financial services sector is seen as crucial due to the characteristics of many financial service companies and in order to promote consumer engagement in the sector. The authors highlight that while the financial services industry is trusted more than comparators, there are still some considerable improvements that could be made.

The DWP carried out a literature review on trust in pensions in 2012<sup>7</sup>, reporting that:

Pensions, therefore, usually require the individual to rely on the expertise of third parties and trust is multi-dimensional: consumers need to have a degree of trust in advisers, in individual pension providers and products and beyond that, in the stock market or economy as a whole.

Interestingly, their conclusion was more nuanced than might have been expected, with respect to the importance of trust in pensions. They found:

Government wants people to save or save more for their retirement and greater trust in the system and in particular pension products may contribute to changing savings behaviour. However, trust in itself is not necessarily a good thing. The history of pension mis-selling suggests that some people may have trusted too much in the past. It is discriminating trust that individuals need and for this they must have some confidence in their own ability to make judgements about the advice and expertise on offer.

Thus the literature shows that while some element of trust is required for people to feel comfortable to commit funds to pension saving, blind trust is not a good thing as it could lead to them falling victim to scams or mis-selling. Perhaps it is *knowledge* combined with trust which could lead to greater engagement with pension saving.

### Behavioural science

My intention was that the original outcome of the research - to make benefit statements more engaging - would be achieved using behavioural science. Over recent years, this area has become more mainstream, given a boost by two books - Thaler and Sunstein's 'Nudge' (2008) and Daniel Kahneman's 'Thinking Fast and Slow' (2011) - which crossed from academia into public popularity. I hope to use the research-backed findings of behavioural science to re-word and re-present benefit

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/214405/WP108.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/214405/WP108.pdf)

statements. As explained, early results were unpromising, so I will use the lens of behavioural science to examine and analyse the employer presentations which I will undertake with participants

There are interesting findings on the thought processes when deciding on a course of action, whether the question is large (pensions) or small (what shall we eat tonight?). Kahneman (2011) relates that when people have a complex decision which they feel ill-informed to make (*should I invest in Ford stock?*), they substitute a superficially similar, easier decision (*do I like Ford cars?*). Furthermore, they may do this despite there being only a tenuous connection between the two decisions. Similarly, someone making a decision such as, *should I join my employer's pension scheme?* which involves considering how long they might work there, affordability and effort, might substitute an easier question such as, *do I like NOW: Pensions as an employer?* an answer which they already know. Kahneman terms this substitution 'an intuitive heuristic', and notes that it is only when a person cannot find an easy substitution that they switch to a slower, more difficult type of thinking.

I found from my professional experience that several otherwise interesting suggestions of Kahneman's were not actually helpful with regards to 'improving' the benefit statement; however, I thought they would be useful for exploring the employer presentation part of the research. Kahneman's exhortation to producers of prose is:

If you care about being thought credible and intelligent, do not use complex language where simpler language would do. (p63)

I decided that I would use this mind-set when rewriting the benefit statement. Kahneman further exhorts:

In addition to making your message simple, try to make it memorable. Put your ideas in verse if you can. (p63)

However, it was going to be difficult to find rhymes for '*keep your expression of wish form up to date*',<sup>8</sup> or witty and memorable ways to suggest that people should '*increase contributions for a comfortable retirement*'. A further proposal for making things memorable is repetition. Zajonc (2001) finds a direct link between (mere) repetition and liking. Repetition would be trickier to incorporate into a benefit statement whose length is constrained to avoid overwhelming the reader and by the cost of paper.

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<sup>8</sup> Expression of Wish Form's a tough phrase to scan  
But better to have one than not  
And keep it updated as much as you can  
Or changes in life get forgot

Now that I was focusing on employer interventions, it appeared likelier that it would be possible to apply some of these suggestions to the employer presentation. It is outside the scope of this research project to fully rewrite and retest the NOW: Pensions presentation (though I would be hoping to make some proposals). The HR function had expressed interest in wanting to redo the presentation and my take on it.

Thaler and Sunstein discuss anchoring amounts, a concept that is highly relevant to my research project. They find that the level of an anchoring amount can have a powerful effect on decision-making. If people are asked how much they will pay for something, their response is directly affected by the anchoring amount. In a quoted example where there was no anchor, people were prepared to pay \$64 for an item. However, when the anchoring amount was set at \$5, the average payment was \$20: when the anchor was set at \$400, the average rose to \$143.

I originally intended to use this to encourage people to increase their pension contributions by asking on the pension statement, 'How much would you like to increase your contribution to?' before suggesting, 8%, 10% or 12%. This approach could work in an employee presentation because the audience are pension scheme members who are likely to be in a position to pay in more. An anchoring amount could be introduced by suggesting a figure that should be paid into a DC scheme in order to achieve a comfortable retirement. A recent PLSA report 'Hitting the Target' notes (p8) that:

In our view, the level of minimum automatic enrolment contributions needs to increase to 12% of salary over the course of the 2020s if savers are to be adequately resourced for later life.

The heuristic is that someone should pay in a figure that is half their age when they start contributing. So, someone who joins a scheme in their mid-20s pays in 12% of their salary: someone who delays until they are 40 would need to pay in 20%. Given this variability, and the likelihood that most of the audience at the presentation will be young, this could be an effective way of getting them to 'Pay Now, Live (Better) Later'.

Further reading shows that offering people an incentive can work. Levitt and Dubner (2005) describe an incentive as 'a bullet, a lever, a key: an often-tiny object with astonishing power to change a situation' (p 20). The incentives for both a benefit statement and an employer presentation are the same – achieving a comfortable retirement for staff. This is a very real situation. As Benartzi and Thaler (2013) note, many countries face a retirement savings crisis driven by an ageing population and a declining workforce. They report that in the USA, the share of workers at risk of having inadequate funds to maintain their lifestyle through retirement increased from 31% in 1983 to 53% by 2010, a

share that will have risen further since. Indeed, an article in *Bloomberg Businessweek*<sup>9</sup> dated March 2020 reports that almost half of US households aged 55 and over have nothing saved for retirement.

According to Thaler and Sunstein, people make better choices in contexts where they have experience, good information and prompt feedback, and worse choices where they are inexperienced, poorly informed, and where feedback is slow and infrequent. This is of particular relevance to pension savings. For many people, retirement seems to be a long way off, and they will not see the results of saving more now for many years, although they will feel the financial pressure of paying in more immediately. Not surprisingly, the actual problems of today take precedence over the potential problems of the tomorrow.

People's lack of prompt feedback on their choices is problematic. They get a yearly statement (if their provider has their contact details) which they may or may not read. If the scheme has had a good year, their savings should have increased; if it has not, their savings may have reduced. Benefit statements show the amount of yearly pension at retirement; if the assumptions have worsened, the expected yearly amount will have decreased, which is discouraging.

In my professional role I had originally intended to propose raising the visibility on the benefit statement that it is a long-term investment (and that short-term fluctuations should therefore be disregarded) and to stress the 'reward' aspect, maybe by showing pleasant activities for retirement - sitting on a beach, drinking a cocktail, perhaps. This also translates to the employer presentation. Employees need to understand the long-term nature of pension savings and not be disheartened by fluctuating investments. For example, someone with a lay knowledge of the subject may not realise that if unit prices are low, their contribution will buy more units. When unit prices rise, they will get a bigger gain. Thaler and Sunstein's research into incentives find that a potential loss of \$350 was a more powerful incentive than a potential gain of \$350: people do not like losing money. In a presentation, an illustration showing the effect on a member's pension of NOT contributing an extra 5% of their salary could be more powerful than one urging them TO contribute an extra 5%.

It was encouraging to find support for NOW: Pensions' strategy of only having a default fund, with no other investment choices. Thaler and Sunstein describe the problem of choosing a (mutual) fund for one's retirement portfolio, noting that most investors would not know how to compare a 'capital appreciation' fund with a 'dynamic dividend' fund. Furthermore, even if the terminology were explained, the problem might persist, as an investor would need to know how their choice between

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<sup>9</sup> <https://www.bloomberg.com/news/articles/2020-03-26/coronavirus-shock-is-destroying-americans-retirement-dreams>

those funds might affect their spending power during retirement under various scenarios, something that might puzzle even an expert in the subject. The authors conclude that the average person will find this choice a nuisance and would prefer a good default.

Munger (1995) focuses on the strength of social norms, describing an experiment involving a lift. In this, a research subject enters a lift wherein ten people are facing the back wall: the subject unquestioningly does the same. Munger concludes that people automatically think and do what they observe to be thought and done around them.

This finding ties in with Thaler and Sunstein's discussion of the physical reality of the pain felt when someone is excluded from anything. The validation of social relationships causes opiates to be released in the brain, giving a sense of well-being, so people's desire to fit in comes from chemical as well as social rewards. This finding has already been used by the publicity campaign for auto-enrolment, where the slogans, 'I'm in' and 'we're all in' may account for the low 10% opt-out rate.

It would be worth translating this phenomenon into the employee face-to-face presentation. If scheme members see other people doing a certain thing, they might do the same. The thrust behind my project is to discover whether an employee presentation can affect employees' feelings towards pension savings; ideally, there would be a shift between employees feeling 'anxious' and 'daunted' to feeling 'confident' and 'relaxed'. A visual aid could be used such as a non-scheme member looking puzzled and a group of scheme members looking happy, the message being, 'join us – we're happy because we've got our pension sorted. It's easy'.

Cialdini (2007) reports on work carried out into the effect of injunctive and personal social norms on behaviour. Social norms are customary rules of behaviour guiding interactions with others. Two common types are the descriptive social norm, describing what is commonly done ('80% wear seat belts') and the injunctive social norm, describing what is commonly approved or disapproved ('80% believe that those not wearing seat belts should be charged if in an accident').

De Groot et al (2013) report on experiments on the reuse of plastic bags, extending work done by Goldstein et al (2005) on increasing the reuse of towels in hotels. They find that the greatest impact was achieved by using a combination of these approaches, especially when personalised by the word 'you'. This could be translated to pension saving, with the descriptive norm being, '80% of scheme members update their contact details regularly', and the injunctive social norm being, '90% of pension scheme members think it is important to keep in touch with their pension scheme'. To make it more personal, the norms could be linked, adding, 'Thank you for remembering to update us with changes to your contact details'.

As it stands, pension companies make little use of such social norms. One recommendation for improvement to consider therefore would be to add such norms to have more impact on staff's feelings towards pension savings. These issues and ideas have influenced my research focus in terms of how pensions are communicated.

### Resistance to retirement

For many people, retirement from paid employment is something to look forward to; however, a significant minority, perhaps as much as a quarter, are apprehensive about the event. A report for the DWP finds that 13% of people are not looking forward to retiring, while a further 11% say that they did not really want to retire but felt that they had to.

A survey carried out by the Centre for Ageing Better in 2018 backs this up. It finds that only half of those planning to retire in the next five years are looking forward to it, the major concerns expressed being about money (41% of respondents); feeling bored (33%); missing their social connections at work (32%); and losing their purpose (24%). The report also notes that the experience of ageism, whether internalised or coming from others, can have detrimental effects on well-being in later life.

Having control over the retirement process can lead to a more positive adjustment to retirement but this requires people having the resources to do this. Those in less advantaged social positions tend to have more negative experiences of retirement, a finding consistent with research on social inequalities more generally.

Feldman and Beehr (2011) find that many workers are ambivalent about retirement, with a number of 'push-pull' factors that they have to weigh when considering retirement, making the decision less than straightforward. These factors can include, but are not limited to, the loss of prestige, self-identity and a meaningful role, something that Maddox, over half a century ago in 1966, found might be suffered upon withdrawal from employment.

This ambivalence is captured in the work of Hornstein and Wapner (1985) who list four categories of retirement: in these, 'retirement as a new beginning' is counter-balanced by 'retirement as beginning of the end'. The other two categories similarly counterbalance: 'retirement as a continuation' and 'retirement as imposed disruption.' Davies et al (2017) encapsulate this when they say that 'attitude to retirement is likely to be characterized by attitudinal ambivalence in which individuals will hold favourable and unfavourable attitudes towards the object of retirement simultaneously' (p 891).

It is little surprise, perhaps, that resistance to retirement is likely to be felt more strongly by executives. Franca (2004) posits that this is because they have the most to lose in retirement in terms of emotional and tangible aspects and, of course, the benefits and compensation from their jobs.

In a BBC News article discussing the conundrum of a general ambivalence to retirement, an academic pointed out the frequency with which those who have retired describe themselves as ‘a retired librarian’ or ‘a retired chemist’. They will often tell listeners what their profession is as if they are still doing it even if they are not working any longer. When questioned about this, people said that it was because they did not want to be thought of as ‘someone who is out to pasture’. As one respondent said, ‘I don’t want to be seen as yesterday’s news. I want to be the news right now’.

A 2018 article in Forbes magazine, a business journal<sup>10</sup>, lists some ‘general truisms’. These are that human beings are meant to be productive, and that leisure and relaxation are not enough to fulfil someone throughout twenty years of reasonably good health. Someone who has spent the previous forty years engaged in highly stimulating and intense work with great responsibility will not gladly surrender that, or the power to affect the world. As the article concludes, it is much easier to let go of something vital to you if you see something equally engaging ahead.

Finally, an article quoting a study of 2,000 office workers<sup>11</sup>, reported in the business section of a national newspaper, found that 44% of those questioned intended to carry on working for as long as possible. Reasons for doing so were varied and included such diverse items as wanting to keep their brain sharp; retaining a sense of purpose; dreading feeling old when they do retire; and enjoying the structure and socialising that comes with being part of a business.

From this, it is fair to conclude that attitudes towards retirement are nuanced and ambivalent, and that resistance to act is long-standing.

### Pensions engagement

The starting point for a review of literature relating to any research project is, in theory, obvious: the researcher uncovers, and then trawls through, all of the other published research that has already been done in the area in question. However, that is the theory. What, however, if the trawl through uncovers more of an absence than a presence?

‘Absence of evidence is not evidence of absence’ is not so much a quote, more a folkloric aphorism. However, as Copi (1953) notes, ‘In some circumstances, it can be safely assumed that if a certain event had occurred, evidence of it could be discovered by qualified investigators. In such circumstances it is perfectly reasonable to take the absence of proof of its occurrence as positive proof of its non-

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<sup>10</sup> <https://www.forbes.com/sites/prudygourguechon/2018/08/27/why-the-concept-of-retirement-is-destructive-and-needs-to-be-replaced/#73460f0bf4e9>

<sup>11</sup> <https://www.mirror.co.uk/news/business/more-brits-claiming-never-retire-20816767>

occurrence' (p95). I believe that this is not an unreasonable position for me to have taken as the following pages will reveal.

Despite a thorough search using SUMMON as well as the usual search engines such as Google and Bing, I was unable to discover any academic journals which were dedicated to pensions research. My searching did reveal that a number of interested companies do carry out research into pensions matters, the results of which generally appear in one of three ways: they are disseminated in press releases; they can be found in the industry press; or they are released at pension-related conferences and seminars which can be considered a form of live literature.

I was able to source literature from the professional sources mentioned above, press and conferences, to map out work that has already been done in the proposed research area. Originally, as has already been discussed, I had been hoping to make a useful contribution to both theory and practice by redesigning an existing pension statement with the aim of producing an optimal wording that would be found to assist with member engagement and which could improve practice. As a result, my exploration of the literature was originally dedicated to this.

The literature that I uncovered only related very tangentially to the area of pensions which I wanted to investigate and I did not find them directly relevant to my focus, for example, using pensions as a tool to manage a workforce from an HR perspective; studies correlating literacy to financial behaviour; and website usability's effect on information gathering.

### Member engagement

It would not be stretching things to say that improved member engagement is the Holy Grail of the pension industry. The industry has dedicated significant effort to the exploration of this area, and it is widely acknowledged that there is a disconnect between members' actual levels of engagement and the levels of engagement which the industry thinks that they should have. As an example of this, Aon, one of the leading global insurance brokers, published an article<sup>12</sup> under the title of 'Pension Scheme Member Engagement is Getting Tougher' which noted that persuading members to engage with communications has always been difficult, and is getting more so as time passes despite, arguably, such engagement now being more necessary than ever before. For example, a Practical Law Company newsletter<sup>13</sup> dated 29 March 2018 states that:

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<sup>12</sup> <http://www.aon.com/unitedkingdom/employee-benefits/corporate-pensions/member-engagement.jsp>

<sup>13</sup> This newsletter is not in the public domain and is only available to subscribers.



‘...only 12% of employers said that they were happy with how engaged their workforce was with pensions, while 55% agreed that increased engagement with pensions would improve their recruitment and retention rates.’

This opinion is shared by Mitchell Consulting, an actuarial company now part of the Broadstone Group, who carried out research in 2016 into the levels of public interest in, and awareness of, workplace pension scheme arrangements and retirement options. Mitchell report that one person in nine (11%) said that they were simply not interested in pensions, and an almost astonishing two out of five (40%) did not even know if they were in a DC or a DB scheme.

Fordham (2016), in ‘Employee Benefits’ magazine, lays out for HR professionals the best ways of setting up a pension engagement strategy. Refreshingly, rather than simply lamenting the lack of engagement, the writer goes a step further by setting engagement goals. They mention the importance of setting aims, and deciding on how success will be measured, and suggest specific targets such as increasing pension contribution levels or encouraging a proactive approach to investment choices.

However, this highlights the lack of joined-up thinking within the pensions industry. On the one hand, the article on employee benefits suggests that increasing contribution levels is appropriate; on the other, there is a school of thought which proposes that contribution levels should be optimised with respect to savings goals, otherwise people could be over-saving and unnecessarily depriving themselves of current income. This is particularly true both for the lower paid, for whom the state pension will replace a higher percentage of their income on retirement, and also for the rather smaller group of people who are in danger of breaching either their annual or their lifetime allowances.

It is probably fair to infer that the people in the second group, those in danger of exceeding either allowance, are unlikely to be failing to engage with their pensions. The concentration therefore needs to be on both the former, much larger category, and also those in receipt of around-average incomes.

Sullivan (2018) addresses this issue in an article entitled ‘Auto Enrolment – does the UK need to go further to make a real success of it?’ The writer notes that although the UK government has laid down minimum rates of contribution, most companies (the proportion and source of the claim are not given) provide employees with the option of making a higher contribution. One design feature that can help with this is an automatic increase to a member’s contribution (presumably, as their salary rises). The article goes on to say that an (unattributed) US study showed that 83% of participants who had an automatic contribution did not opt out. However, the writer does not discuss how employees might

feel about such an imposition which, although it might be seen as being in their best interests, may be taking money from them at a time when they both expect and need more.

In the same professional sector magazine, the CMO of Money Alive, a private-sector financial information organisation, discusses his company's pension portal videos whose aim is to 'engage, educate and empower' people to make better financial decisions regarding their pensions. While this is indeed a worthy aim, the company website admits that Money Alive is funded by 'referral fees paid by product and service providers who are clearly identified as partners'. No doubt, Chinese walls exist to root out any conflicts of interest but simply providing information, no matter how good it may be, will not overcome the fundamental issue of how to get people to feel ownership of their pensions to such an extent that they will actively and positively seek to engage with them.

### Summary

For the first time in my professional career, I pulled together literature on a number of factors that at some level I was aware of but which I had never probed too deeply. I was focused on quick practical solutions for a practical sector. Exploring the literature illuminated the factors at play and raised concerns about communication. It also highlighted factors which precede people worrying about forms of communication and which could influence their engagement enough to result in them not opening a statement in the first place. As a result, of course, they are therefore unable to proceed to making decisions about the information that is contained in those communications. These are factors that could relate to feelings, but this does not mean that feelings cannot be changed. The literature review became an output in itself as it will be helpful to professionals, not only in the pensions sector but for other organisations and their employees.

### Research methods and approaches

This section of the literature review covers the literature that I explored to inform my approach to gathering data, where the term 'data' includes contextual factors and the literature itself as well as research activities with prospective participants. In Chapter 4, I give a detailed account of my experience as a professional and informed practitioner of trying to navigate through academic research literature.

For the purposes of this part of the literature review what I have highlighted are those areas which most resonated with what I was trying to achieve and the motivations behind trying to achieve it.

### Action Research (AR)

AR has been used in many organisations to bring about change. It requires time, sometimes a considerably long time, the commitment of members of a team and a level of buy-in from the organisation willing to support the time commitments. It is considered in principle for organisational

research because it should have both a practical and a knowledge outcome as well as developing leadership in teams and to have relevance to a real-world situation, hopefully for the better.

Coughlan and Coughlan (2002) explain that AR should have four components. It should be:

1. Research *in* action rather than research *about* action
2. Participative
3. Concurrent with actions
4. A sequence of events and an approach to problem-solving

The idea of research *in* action is that an organisational issue is being resolved in conjunction with those who are experiencing the issue directly. For this project, I considered its use as I wanted to improve the chances of my fellow employees' obtaining a satisfactory retirement outcome by gauging the effectiveness of existing employer strategies.

To add value, AR must be concurrent with action: the knowledge generated is used even *as* it is being generated, rather than waiting until the project is finished to use it (if at all). This seemed a very appropriate research approach to bring about change in an organisation and I did have discussions with HR and senior management who themselves were interested simply as a result of my initial questions and my rationale for doing research in this area. It made sense to them as they were aware that engagement was relatively low. Unfortunately (for the purposes of this project, although fortunately for the financial safety of all those who are members of a master trust), the new authorisation regime coupled with the fulfilment of the requirements of the Improvement Notice from the Pensions Regulator meant that resources were diverted to these pressing business needs, with all other projects being paused. This is a vulnerability of the AR approach as it takes time and resources to effectively run the recommended cycles for AR and the world of work is a rapidly changing environment influenced by internal and external factors, both local and global. Argyris et al (1985) warn that action researchers must 'consciously and deliberately' enact the AR cycles if they want to maintain validity, both by testing their own assumptions and by subjecting their assumptions to public testing. The context was no longer available to me to have support for and carry out these cycles and anything less would not have fulfilled the validity criteria for AR.

Although I did not in the end use AR for my research project, I would recommend Coughlan and Brannick (2001), Coughlan and Coughlan (2002) and Argyris (1985) to other professionals looking to bring about change in stable environments. The process did, however, stimulate my interest in other forms of AR as the next section shows

## Action Learning (AL)

The Action Learning Centre describes AL as ‘a highly practical and cost-effective group-coaching methodology. In our view, it is one of the best ways for businesses and organisations in the 21st century to truly develop, engage and retain their workforce’<sup>14</sup>.

It is a process to foster learning by working on real problems and implementing actual solutions. It is therefore a form of learning by doing. Its main point is to improve the individual development of each group member. The AL cycle is summarised in Figure 5.

**Figure 5**



As can be seen, objectives are centred around the development of the group and its individual members; matters such as solving a real-life problem are backgrounded.

Rigg and Coghlan (2016) feel that the key difference between AL and AR is that while both are grounded in tackling real organisational or societal issues, AL is principally committed to providing lessons for those directly involved and is not particularly interested in whether such lessons go beyond the specific group or organisation. In contrast, AR is concerned that wider knowledge be distilled from the specific issue, to be shared with a wider (third-party) audience.

My objective in embarking on a research project was to produce something that would be of practical use and have an application to the industry in which I work. I wanted to develop as a practitioner as well, but not to the point of neglecting the primary aim of producing some new knowledge that would add value. The whole process has necessarily brought about self-development, as borne out from my learning journal, but there was a wider aim. AL recommended working together in a narrow group

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<sup>14</sup> <https://www.actionlearningcentre.com/about-action-learning>

and I therefore decided that while it might be a very useful tool for self-development, it perhaps was not quite the right fit for my aim of 'making a difference'. Soon after reaching this conclusion, I discovered through my reading First Person Action Research.

### First Person Action Research (FPAR)

For me, FPAR proved to be an interesting sub-category of AR. While keeping the same objectives as AR, which are to have both a practical and a knowledge outcome, relevant to a real-world situation, the researcher aims to achieve this by inquiring into their own actions, giving conscious attention to their intentions, strategies, behaviours and the effects of their action on themselves and their situation (Coghlan and Brydon-Miller (2014)).

Reason and Torbert's (2001) description of FPAR resonated with me, describing it as being comprised of those 'skills and methods [that] address the ability of the researcher to foster an inquiring approach to his or her own life, to act awarely and choicefully, and to assess effects in the outside world while acting' (p 17).

Key to this approach is writing autobiographical material. 'The Systems Thinker' advocates reflecting critically on issues that make us vulnerable and reconsidering the ways in which we live our lives. Before embarking on the researcher training year of the doctoral programme, I would have dismissed this approach as being rather self-indulgent; during this year, students were required to start keeping a learning journal. I was surprised by its potency as a self-development tool and embraced it to solve a variety of work-related and personal conundrums. Having had this experience of keeping a learning journal, I was excited to discover that it was central to the concept of FPAR.

The term 'first person' is grammatical in origin as it is 'I' research rather than 'we' or 'you', and thus there must be a focus on our own behaviours and practices, and although the first person researcher may be hoping to bring about an action, they must be willing to effect this by changing something in themselves. With the marrying of the desire to effect change and the requirement to proceed with insight, self-awareness and the ambition of self-development, FPAR seemed ideally suited to my purpose. In the spirit of this approach and in my motivation to help other professionals entering university at this level after years of accumulating professional and practitioner knowledge it can be quite a challenge (see Chapter 4). To support my first person critically reflective approach, below I present literature which I found helpful with this and which either did make sense to me or which helped me to make sense of what was around me in my sector.

## Exploratory Research (ER)

This research sub-type struck a chord with me. As already explained, there was a paucity of literature on pensions engagement, and it felt to me that there was a stage to be completed before a meaningful research project could take place. ER, as the name implies, intends only to explore the research questions and does not intend to offer final and conclusive solutions to existing problems. This type of research is usually conducted to study a problem that has not been clearly defined yet.

As explained by Saunders & Lewis (2012), ER is not intended to provide conclusive evidence, but helps us to have a better understanding of the problem. Interestingly, the authors say that when conducting ER, the researcher ought to be willing to change their direction as a result of revelation of new data and new insights. This is exactly what I did when stage 1 of my research project showed that I was not on the right track.

Jupp (2006) notes that in a pure sense, all research is exploratory; however, the writer goes on to say that ER is a methodological approach concerned with discovery. The area which held my interest – how people actually feel about retirement savings – I found to be underexplored with a paucity of literature; my forays into this arena, therefore, necessarily took the form of ER. I was trying to map out a phenomenon which did not appear to have been investigated by other researchers, so my activities were a preliminary mapping out which others could then use as a starting point.

Unstructured interviews are the most popular primary data collection method with exploratory studies (Brown (2006)), as this methodology allows the researcher to be led by the interviewee, discovering the interviewee's lived experiences. The first stage of my research acted as a pathfinder, allowing me to refine my focus enough to make use of semi-structured rather than unstructured interviews, so that I could gather information that was more relevant to my area of interest.

I was heartened by Hussey & Hussey's (1997) assertion that ER rarely provides conclusive answers to problems or issues, but gives guidance on what future research, if any, should be conducted; I felt as if my study might be paving the way for other researchers. Even if I could not come up with any answers myself, at least I might have cleared away some of the 'noise' so that others could see the landscape more clearly. Indeed, Gray (2009) says that an exploratory study might help to decide whether it is worth researching an issue or not.

Hussey & Hussey also note that case studies are often described as ER, used in areas where there are few theories or a deficient body of knowledge; this was interesting as I had originally cast my research as a case study, before finding that it had evolved into exploratory research, and shows that there is

an overlap between the two. As Saunders et al. (2007) suggest, exploratory studies can be conducted by a search of the literature, talking to experts in the field, conducting focus group interviews, and I broadly followed this approach; having searched the literature and having spoken to peers who were either colleagues or networking contacts, I then progressed to carrying out interviews.

## Contributory literature for practitioner research

### Ontological perspective

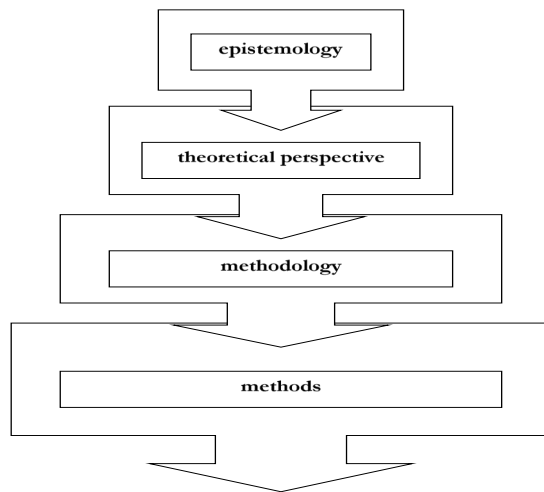
Dudovskiy (undated), referencing Blaikie (2010), defines ontology in a business research context as 'the science or study of being'. It deals with the nature of belief and reality, and the researcher's perspective on what constitutes a 'fact'. In contrast, Carson et al (2001) define it as the relationship between the researcher and the reality and how this reality can be captured or known. Before I began my research, I considered one key question on four points to determine my philosophical approach. What influences my choice of the following:

- methods
- methodology which underlies the choice of those methods
- my theoretical perspective which influences that methodology
- the epistemology which guides that theoretical perspective

The answer starts with my ontology, which precedes epistemology. Who am I? Where does my view of the world and notions of truth come from? What is my 'being' in the world which informs my 'doing'? In the Introduction to the context I explored the roots of my professional life and the context of my current research. It is important for me as the agent for change to be transparent about my own positioning and motives and in that exploration of self, I begin to understand the choices I make about the what, why, how and with whom of a piece of research that I will spend years undertaking.

I respect the positivist paradigm and understand the need for facts and figures which are reliable on which to base decisions. I also recognise that human behaviour metrics do not neatly answer what happens in dialogue and in relationships between humans. Dialogues are intersubjective and new ideas and connections can be elicited or emerge in this process which cannot be captured in a scientific/quantitative approach. It was these subjective factors which my initial research could not answer but which led me to consider the human interactive factor, in this case the face-to-face encounter. This influenced my choice of methods. Influences on my research design are contained in the following chapter. Figure 6 overleaf illustrates this process.

Figure 6 (Opfer, 2001)



### Epistemology

The dictionary definition of epistemology, a term created by the Scottish philosopher James Ferrier in 1854 from the Greek words for ‘knowledge’ and ‘logical discourse’, is ‘the branch of philosophy which is concerned with the theory of knowledge’.

In practice, epistemology addresses questions such as ‘What makes justified beliefs justified?’ and ‘What do we mean when we say that we know?’. The fundamental question being asked here is, ‘How do we know what we know?’

Crotty (1998) states that epistemology is the theory of knowledge which is embedded in the theoretical perspective and hence in the methodology itself. He also postulates (quoted in Research Perspectives Overview found on Opfer’s website) that there are three epistemological positions: objectivism, subjectivism and constructivism. Blaikie (2000) further describes epistemology as ‘the possible ways of gaining knowledge of social reality, whatever it is understood to be’.

Starting with objectivism, I found that it has a range of definitions. Two prominent definitions are, first, that it ‘portrays the position that social entities exist in reality external to social actors concerned with their existence’ (Saunders, Lewis and Thornhill (2012)); and second, that it is ‘an ontological position that asserts that social phenomena and their meanings have an existence that is independent of social actors’ (Bryman(2012)). Its basic tenet is that knowledge is absolute and exists, whether or not there is an awareness of it. Simplistically, if a tree falls in a forest, then whether or not there has been a witness, any later passer-by will discover that it *has* fallen. It is the researcher’s role to uncover



causes, effects and explanations for the existence of these social entities, and to generate and test theories.

In contrast, subjectivism has been defined as ‘the doctrine that knowledge is merely subjective and that there is no external or objective truth’ (Oxford Dictionaries). Bryman (2012) further defines it as ‘an ontological position which asserts that social phenomena and their meanings are continually being accomplished by social actors’. The concept was first set out, as far as the western world is concerned, by the French philosopher Rene Descartes in the early 17<sup>th</sup> century. It posits that personal experience means that because one person’s view of reality, which is based on their subjective awareness of the world, may differ from everyone else’s, this does not make it invalid to that person. It can be construed as the direct opposite of objectivism in that its goal is to understand phenomena rather than simply to explain them.

Arguably, constructivism, the third epistemological position, is a temporal extension of subjectivism. It has been defined both as ‘a philosophy of learning founded on the premise that, by reflecting on our experiences, we construct our own understanding of the world we live in’ (Funderstanding/On Purpose Associates (2011)) and also as ‘a paradigm or worldview posits that learning is an active, constructive process’ (David (2015)). It is a belief that social phenomena are a product of their environment and context, with individuals creating their own social reality, which is continually evolving according to circumstances.

### Pragmatism

Pragmatism is a pluralistic approach to research (meaning that it is not committed to any single system of philosophy or reality) which, as Paltridge and Phatiki (2015) note, stresses the importance of problem-solving over the adoption of a particular approach. They add that pragmatism is not a paradigm in the traditional sense, by which they mean that it does not have a fixed belief system or theory. Researchers may select whichever research methodologies best meet their needs or they may combine approaches if they think this would be the best way of achieving their goals. Pragmatists are less concerned with debating the nature of reality and more focused on solving the problems that are in front of them.

Pragmatists believe that only those things that are experienced or observed are real, with the focus being on the reality of experience (Cohen (1999)). They think that reality is constantly changing, and that success is best achieved through applying both experiences and thoughts to problems as they arise.

Although pragmatists may not be explicitly concerned with theoretical discussions on the nature of reality, preferring to concentrate on problem-solving, their stance nevertheless says something about how they view the world. The refusal of pragmatists to pay attention to matters which do not advance their cause marks them out while the selection of a research question which aspires to have an effect on real life is a similar marker.

I am drawn to pragmatism by my ontology which informs my way of being and doing in the world. I have always been pragmatic. But pragmatism and participatory research also have an impact on other people which led me to consider notions of being an insider researcher and the influences my role might have on those who participated in my research. When I changed companies, I had to adapt to the circumstances and change my original ideas on how to approach my research. I used my pragmatic approach to life to inform how I would carry out my research and this is covered in more detail in the following chapter.

### Insider Research

As I would be an insider researcher, writings on the topic were an important source of information on how being an insider researcher would influence my research activities. IR is what happens when the researcher already has an involvement or connection with the research setting (Robson (1993). Within this, there are three subdivisions:

- practitioner research, where the researcher is researching their own work setting
- collaborative research, where both the researcher and the subject are working on the research together
- narrative research, where the researcher describes their journey

Lindblom and Ziemke (2003) discuss 'social situatedness', quoting Lev Vygotsky who, in the 1920s, first put forward the concept. Social situatedness is the idea that the development of individual intelligence requires a social (and cultural) embedding. This embedding is created by the interaction between the researcher and their environment, and is rooted in the background and context, and also the researcher's position in the work environment. Costley (2010) notes that any research project will be affected by organisational, professional and personal contexts.

All workplaces are structured differently with their own cultures, and both the researcher and the research will be affected by factors such as the attitudes and behaviours of colleagues. When a researcher decides to proceed as an insider, they start from a position where they have relationships and understandings with many of the people within the organisation, and from a position of familiarity with the culture – 'how we do things here'.

The insider researcher theoretically has a head start when they begin their research: they are likely to have pre-knowledge of the topic of investigation; they have access to relevant staff; they may have access to helpful, commercially-sensitive inside information unavailable to outsiders. The insider can also situate the issue within its context, appreciating how it relates to the wider environment. This will save the time that an outside researcher would spend familiarising themselves with the organisation and the issue. Some work issues can be complex, with concomitant political tensions and commercial disjointedness, and the insider already has an appreciation of these sensitivities.

The question of validity may cloud IR, as the researcher has close involvement with the subject (Rooney (2005)). From a positivist point of view, the researcher might not be objective enough to deliver impartial results. However, I deliberately conducted this project from a constructivist stance, where this criticism is less valid. From this position, complete objectivity is impossible and therefore it is the researcher's own biases that threaten validity. There is a further question regarding the researcher's closeness to the research subjects and to the organisation. Some would argue that this leads to misinterpretation of data, wrong assumptions, or the researcher being led astray by politics, loyalties or hidden agendas.

Constructivists take the position that the arguments against IR apply to all research. For example, it is impossible to guarantee that interviewees are always being honest and not pursuing their own agendas. Indeed, it has been argued by commentators such as Tierney (1994) that interviewees may feel freer to talk openly if familiar with the researcher, which may give added richness and authenticity to their responses.

van Heugten (2004) says that the very selection of a topic that reflects a personal interest and the selection of colleagues as subjects can cause bias as the researcher's personal beliefs, experiences, and values may seep into and influence the study methodology, design, and even the results. I have had direct experience of this. A previous research project of mine into the effect of mistakes in documentation represented a personal quest to show the importance of paying attention to detail when writing documents. However, I found to my dismay that people simply were not concerned by an abundance of errors – and I reported these results faithfully. As the ESRC Research Ethics Guidebook warns, the insider researcher must be wary of projecting their own views on to either participants or the data analysis.

When carrying out a case study, Fraser (2007) acknowledges that her professional role may have prevented participants from being honest, perhaps because interviewees were afraid that she would use information given to her for other purposes. My status as an insider and the inseparable factor of

internal politics means that such suspicions may arise. To counteract this, I was always mindful when beginning any interview to open with some less formal-sounding questions to make the interview seem closer to a and less like an interrogation. My hope is that interviewees will feel that they are chatting to a friend rather than being interrogated by a member of the Risk and Governance function.

van Heugten also recommends tools to avoid potential bias, using techniques such as stream of consciousness writing; interviewing oneself; and speaking with others about the experience both to create distance and deconstruct the familiar world. Having reflected on this, I have decided that bias could best be minimised by carrying out the coding of the interview data in a very ordered manner so that the data can be allowed to tell their own story. A second coder could be recruited as a sense-checker. I am influenced in this by a paper by Campbell et al (2013) on techniques to avoid coding inconsistency. Campbell describes a thorough, somewhat exhaustive process to establish consistency, to which a great deal of resource was dedicated.

Still thinking of reducing bias I found Van den Hoonaard (2002) work on self-reflexivity a powerful way to counter bias. This method requires the researcher to consider their own consciousness. I am involved even in writing about literature for this research project in the practice of 'reflection-in-action', a technique that I learned about in the taught year of this doctorate. This is to be open to changing and acting in the process of doing. I experience being changed in the action of reading and writing this. While carrying out any interviews, I will continually and actively monitor my own performance, and keep the research question 'How do people FEEL about their retirement savings?' in constant view and respond/act in the moment of the discussion. I am naturally interested in other people on a one-to-one basis, and the reflection-in-action element of the interview process reminds me to seek answers to the research questions and, by using probes, to stray into general chat, tempting though it often is.

Hammersley (2007) recommends that the research process is made as transparent and open as possible so that readers can make up their own minds about its validity. To this end, I will present the full transcripts of all participative methods.

### **Research and practice theory**

Practice theory "seeks to explain the relationship(s) that obtain between human action, on the one hand, and some global entity which we call 'the system' on the other" (Ortner 1984: p148). Practice theorists are very interested in how people construct their social environment, and also how this environment serves to direct and modify people's behaviour.

Nicolini (2013) explains that a practice-based view of the world can offer a remedy for a number of problems left unsolved by other traditions and gives five ways in which practice-based approaches differ from these traditions. These include the foregrounding of activity, performance and work together with the critical role of the body and material things; the carving out of a specific space for individual agency, radically transforming views of knowledge, meaning and discourse; and putting emphasis on the importance of power, conflict and politics.

This last point is particularly pertinent to my attempts to carry out a research project in a work environment. There are strong political undercurrents in the organisations where I have been employed while carrying out the research, and these, as discussed later proved to be more powerful than I anticipated, and had a strong influence on the direction of travel.

### **Reflective practice**

The overview of the Doctor of Professional Studies programme states that students are required to undertake a critical reflection on their practice.

I have therefore selected entries from my journal across a span of three years which serve to show how the journal has helped me to develop and how they became my personal literature and a means to dialogue with myself. They constitute a key part of my FPAR approach to this whole project. They capture my research journey and my learning, my questions and my confusions. I have included them here in the Knowledge Landscape because they are quotes from my 'literature' on research and the experience of it.

#### **8 September 2014**

I decided to get a head start by setting up a learning log. I wanted to get a head start on the doctoral course and ensure that I put myself in the best possible position to succeed. Although I've always kept a diary, keeping a learning journal appears to be a completely different genre, and it might take me a while to get the hang of it.

I was never totally confident with the idea of 'reflective practice' while doing my Masters. Perhaps I should have stopped and taken the time out to get to the bottom of it, rather than skating over it in fear of being left behind? That was between 7 and 9 years ago; since then, I have changed companies twice and been promoted several times. Maybe this progression has given me the maturity to have the confidence to expect that I should be able to fully understand things, and to challenge them if I don't?

#### **1 June 2015**

Board meeting. I was using it as a people-watching exercise for the middle managers' course. I tried to concentrate on watching AB and JS, but ended up watching everyone. I was absolutely terrified and said very little. I should have said more. My paper was 'very comprehensive – a good reference document'. So it went as well as it could have done.

#### **24 May 2016**

It is occurring to me that the difficulties that I'm having with getting a (research) partner and the research itself aren't separate issues; they are all part of the project. Therefore maybe the wasted time is a form of learning? It is also leading to self-development because if I want something (help from the various quarters) I need to decide that I've had enough of being shy and letting my timeline be messed up, and actively go out there and harass people and not worry about inconveniencing them? So I need to be braver and think of this as a form of learning and development.

#### **25 May 2016**

The evening event was good – found some more people to harass and emailed them this morning. Perhaps I need to do some follow-up phone calls. I need to stay right on top of this. It has also occurred to me not to depend on one person – why not get as many involved as possible? So therefore I should pursue all leads and try to track down the lady from the conference as well. I need to be a lot more pro-active or I'm never going to get anywhere.

There is a noticeable development in my self-confidence, and in my ability to tease out answers without going through the despairing stage where I feel that I do not know what I am doing. I have adopted a more positive and pro-active attitude to difficulties, and my personal motto now is:

Obstacles are not IN the way; obstacles ARE the way.

Instead of hoping for a nice, easy day where nothing goes wrong (a rather passive and retreating attitude), I now have faith in my ability to handle whatever is thrown at me – and actively enjoy having something out of the ordinary put in my path. This is illustrated by an entry from 2018 when I was actually exhilarated by being able to deal with a potential disaster:

#### **2 May 2018**

Disaster today! The administrator emailed to query the benefit statement wording. At first, I thought they were being frivolous, but when I looked into it further, I found that the statement template was non-compliant. I started off by feeling very alarmed as it could have been a disaster with 1.85mn non-compliant statements going out, equating to 1.85mn disclosure breaches. Instead of panicking, I googled 'dealing with mistakes at work' and found a simple 7-point plan of

what to do. This helped me put it all into perspective; it could have been a disaster, but it had been caught in time and I could put it right.

The next thing to do was to put it right, so instead of rushing, I had the confidence to deal with it properly and calmly. I compared the statement against the disclosure requirements, and where it was deficient, I had the confidence to request the changes to put it right. It didn't cross my mind that I was wrong; there was no possibility of my being wrong as the disclosure requirements were right there in black and white, and I was capable of interpreting them.

To break the news to my boss, I explained that there had been a hiccup, it had been fixed and I wanted to make sure that it didn't happen again by introducing a new sign off procedure.

This is quite a development from how I would have dealt with an incident of similar magnitude in 2014 when I first embarked on the course. Back then, I would have sought management input at a very early stage and would have been worried about 'getting into trouble'. Now I AM management, so I assume responsibility for sorting things out myself, and only engage with the Executive to let them know that it has been sorted out, and to clarify whether further sign-off is needed. It is a sign of my standing that there was absolutely no question of needing someone else to check or sign off my work; my word on pensions-related technical matters is taken as final. There is no higher recourse.

My growing confidence in my abilities is illustrated by the following excerpt:

#### **5 August 2018**

Went through the written feedback in detail. Some I understand; some is unclear; some I think is wrong. I have put together a response checking that my understanding is correct and asking for clarification in a few areas. I now feel back in control and less like giving up.

Job hunting is going well. Following on from the meeting with PwC re risk registers, I have realised that they don't actually know any more than I do.

#### **Live Literature: Enhancing knowledge of leading-edge areas of business**

If a week is a long time in politics, a day can feel like a long time in pensions. There is much legislation associated with pensions – the various finance acts and pensions acts, the statutory instruments, codes of practice, practical guidance – and it is constantly evolving.

In the early stages of the project, when I was planning to concentrate on benefit statements, I had to speak to senior industry figures to gain their insights on what I was trying to do. This was a challenge in that I am not naturally outgoing and do not like approaching people. However, to advance my

research, I forced myself to do it and, as a bonus, managed to forge relationships with some high-profile industry figures.

I began to follow their research, attending seminars and conferences to keep up to date with the latest thinking and made it my mission to speak to industry figures. My persistence over several years paid off and my own profile was raised. At the PLSA October 2017 conference, I was approached by two directors, one of a pensions' communications company and the other involved with a large pension scheme. They both asked for my input into a project. They had been working with the government on producing a single-page benefit statement and they wanted my opinion on it. I reviewed what they had done and fed in some findings from my early research which they found both useful and relevant.

As a direct result of my work on the doctoral programme, therefore, I was consulted on ground-breaking and cutting-edge research that, if it comes to fruition, will be rolled out across the entire DC pensions landscape and endorsed (or perhaps even mandated) by the government.

I cannot stress enough the value of live literature to keep up to date with what is going on in one's sector. Many of these speakers do not publish but share their ideas through forums and indeed performances as key notes. Sometimes papers are published by conference organisers, but many times, they are not. It is important to be exposed to these ideas as stimuli to curiosity which can then lead to literature that may be published on the same or tangential areas or which can give ideas for one's own publications in professional and academic journals or to one's research and in my case to influential networks.

### Summary

What I take from this review is a clarification of context, purpose and aims of the research and ideas for the objectives and what needs to be achieved. Importantly, it foregrounded the influences on a research design that can now be considered in the light of my exploration not only of my sector but of the different ways of gathering data, with whom and what for, and cautionary notes of what to look out for when gathering data and analysing it.



## Chapter 3: Influences on selecting a research design to achieve purpose and aims, and formulation of objectives

I had started out with an overall purpose for carrying out research and had a strong sense of what I wanted my research to achieve that would fulfil the purpose. I now needed to consider the influences on a research design that would clarify the objectives I would have to achieve to fulfil the aim.

### Context and feasibility

The influences that existed when I first embarked on a research programme which led to an Action Research (AR) design changed quite quickly, as it can do in the professions. AR in an organisation can take up a considerable amount of dedicated time for the team leader and team members over quite lengthy periods. This can only be supported if the organisation is committed to the change-goals of that particular practice or focus and does not have competing priorities. In rapidly changing environments, organisations need to respond quickly to such changes in global and local market forces and priorities can change weekly. This is what happened in my case: market conditions led to mergers, acquisitions, redundancies, new management, new priorities, regulatory changes, and employees having to adapt to the circumstances. AR cycles became impossible to achieve. I had location, access and funds, and then they were all gone. I wanted to carry on my exploratory research but now it would have to be in another organisation, albeit in the same sector. I increased my readings on different kinds of AR and on practice research. I wanted to bring about change in my organisation and, more especially, my sector in my role as a decision maker. This meant that having access to employees was essential. *Accessibility* did not pose a problem for me in the way it might have for outsiders but balanced with that, something that I discuss further below, were the challenges to research *reliability* when one is the insider. Confidentiality and doing no harm have been foremost on my agenda. There is then the *feasibility* of making operational any findings from the research, which I discuss below as an influence on the research design. I want the reliability of this research to be not solely based on the contributions of the participants but also on the literature, and on the considerable, accumulated and critiqued experience of the researcher.

### My experiential learning and my pension knowledge base

My professional experience through practice in this sector in various roles of increasing seniority stimulated my curiosity about the lack of engagement by employees in their pension schemes. Initially, I thought, as many in my sector did, that it was the language that might be inhibiting engagement and/or the medium of presentation. Both of these would be worth checking out but I had also developed a strong sense that there was something to be found in exploring why it is that people do not even get to the stage of opening their statements or the information material in the first place.

## **Literature/Knowledge Landscape**

This thought led me to expand my literature search to encompass a range of factors that might be inhibiting engagement and that I was either suspected but was not fully aware of or that I was not aware of at all. Such factors would include psychological issues; behavioural responses to fear; ageing; usefulness in society; and trust (see Knowledge Landscape for details). In terms of practitioner research, I became aware of the role of the researcher as an agent for change and the responsibilities this carries. These responsibilities include ensuring transparency, both as an ethical position and as a criterion of reliability in research findings. In this work, it would therefore be important to be aware of, and to present, my own biases and motives. Literature has been my constant companion and an inspiration in this work. I have entered discourses that I would never have considered before which have made me think and, most importantly, get into the art of reflection which does not stall with a focus on self but which is wider, more usefully imaginative and more pragmatic than I would have thought. For example, the value of keeping a journal is that it acts as a dialogue between my inner and outer selves and shows me both the out-of-awareness and the conscious motivations that influence behaviours, actions and agenda formulations, and suggests ways to address them. I have reviewed the literature in my Knowledge Landscape, and throughout this work, which I have in many cases enjoyed. I admit that there have been some texts which appear to have been written to be deliberately exclusive of readers like me, an interested intelligent public. This has motivated me to produce something that is useful, practical and, most importantly, accessible to all.

In exploring research and commentaries on various dimensions of the human condition, I have become aware that I am pragmatic with an appreciation for facts on which I can rely to make decisions and formulate governance guidance. The literature, especially that on practice and research approaches which are suitable for a social constructivist position have, through providing a guidance framework and rationale, given me the confidence to carry out qualitative research. This confidence is both in myself as a researcher who can engage in this way and in the findings which have been produced using realities, the felt experiences which can both complement existing quantitative data and also challenge it. It has refined my focus, refined what matters to me and shown me who I want to be in the world and how to go about finding out the best way to offer support to people in my senior role.

## **My own drive and values**

The values that drive me include the factors which shaped my choices. They include a wish to be engaged in producing clean and clear language in order to facilitate the communication of complex issues; deciding on what works for me, such as using visual representations as effective communication devices; and my own life experiences which motivated me to try to help other people

to pay attention to financial security in their retirement. The drive behind this last point was to ensure that everything that someone might have worked for, such as escaping a low-income childhood, for example, would not go to waste as they moved out of the workforce and into retirement. I was interested to find out if communication was the major factor preventing engagement with pensions, or just one of many factors. Another key driver was my motivation to improve my own practice as I began to rise in seniority, becoming more accountable for others, advising colleagues, and managing processes, procedures and compliance regulation. Seniority comes with substantial responsibilities: one cannot simply 'wing' it and hope for the best.

### Insider researcher and feasibility

I had the opportunity to explore such factors as an insider, but I was fully aware that if I interviewed employees internally, I needed to pay attention to the hierarchical dimension of power (see Knowledge Landscape). I was a senior member of staff at NOW: Pensions and that could have influenced participants to tell me what they thought I wanted to hear. The invitation to participate would need to offer the security of anonymity and confidentiality and include a no-harm clause. Insider research is the situation where the researcher already has an involvement or connection with the research setting (Robson, 2002). Within this, there are three subdivisions:

1. practitioner research, where the researcher is researching their own work setting
2. collaborative research, where both the researcher and the subject are working on the research together
3. narrative research, where the researcher describes their journey

I was anticipating that my research would have elements of 1 and 3. Working within the establishment of NOW: Pensions added a further dimension to the project compared with if I had been researching an external organisation. It was essential for me to consider the influence that being an insider researcher might have on the project.

I was also part of any researched group in that I was a member of the same pension scheme as the participants whom I would be wanting to engage and needed to be aware that while participants would not be actively working towards any change in the process, the very act of participation might change their perspective and awareness, and indirectly stimulate interest in change.

I was very much influenced by the literature on insider research which I presented in Chapter 2. I would strive to minimise bias. There is the issue of power, for example, which is discussed in The Research Ethics Guidebook, an ESRC publication (undated/unauthored article on Practitioner

Research and Dual Roles). I was determined to pursue the research in an ethical manner. The required consent form would explain that there was no obligation to take part; that participants could withdraw at any time; and that their careers would be unaffected by participation or withdrawal. I would also stress that all information would be kept in strict confidence, and that I would continue to keep everything connected with my research on a password-protected database, on a personal computer which would not be accessible by anyone else. The data would be anonymised, and I would not discuss the data with other staff. And although some staff may have felt obliged to participate due to my senior role of Head of Risk and Governance, I would stress at the start of each participation that I was acting in the capacity of a student and not in my work-related role.

Hammersley (2007) recommends that the research process is made as transparent and open as possible so that readers can make up their own minds about its validity. To this end, I have presented full transcripts of all interviews in Appendix 3. The coding spreadsheet appears as Appendix 4 and the unedited recordings of the interviews themselves are also available on request.

It was also important to remind myself that my roles, my training and my own way of being in the world is one of professional integrity. Why should I be anything different in my approach to research? According to Maguire,

Professional practitioners coming into higher education institutes for the first time, or re-entering for further study, bring with them several years of working within professional codes of conduct and practices within their organisations or communities of practice. Professional bodies encode values and expectations in prescribed procedures and attainments to ensure a standard of ethical and professional practice across its members regardless of where their practices are situated. These have held the frame for behaviours, attitudes and expectations of individuals and teams. Research also has ethical codes of conduct (procedural) and codes of practice enshrined in quality assurance mechanisms which the researcher and the supervisor have to uphold. Just as the distinction between being 'a professional' and being 'professional' is often seen as the difference between 'doing' and 'being', research into practice requires an attitude towards the research undertaking that becomes a way of being as well as a way of doing. (quoted in Costley and Fulton (2019) p. 98)

### **Pragmatic and Reflective Approach to life**

I wanted to approach the research in a way that best suited my personal and professional learning style which is both reflective and pragmatic. The more I read about pragmatism, the more I realised that it accorded closely with my own world view and with my research ambitions. The industry has long recognised that people are not engaged with their pension savings, and my intention was to investigate whether this can be solved using a face-to-face intervention. This might change the way in which employers and pension providers seek to communicate with members; conversely, if the

intervention does not produce a measurable change, it can be crossed off the list as a potential silver bullet, freeing my time, and also that of other potential researchers, to concentrate on other methods of procuring engagement. I would suggest that it is the research problem which leads to the ontological perspective and not the other way around.

As a researcher, I did not think, 'I am a pragmatist, therefore I must study a certain topic'. I started with the problem – the real-life issue which has been raised at every pensions seminar or conference that I have ever attended, and which is in nearly every edition of the main industry magazines. I then identified that the research that has been carried out to date has had a strong quantitative slant (see Chapter 1). Working back from there, I perceived a gap in that people's *feelings* had not been the focus of much research, beyond State Street Global Advisers' research (see Introduction) which concentrated on the decumulation phase. Given that I wanted to achieve personal growth as well as bring about professional sector change and add to theory, I considered that an FPAR-informed approach, allied to exploratory research, to be a good fit and also a pragmatic choice given the circumstances. These reflections on the influences helped confirm my purpose and aims and supplied me with a set of objectives.

### Clarifying Purpose Aims and Objectives

The literature, the readings and the reflections clarified the overall purpose of this research; the aims of this research that would fulfil the purpose; and the objectives that would fulfil the aims.

**The overall purpose** is to contribute to employee engagement with their pension schemes to ensure financial security in retirement.

**The aims** of this particular project are:

- I. to shed light on the prevalent and complex factors which inhibit employees engaging with their pension
- II. to provide a comprehensive and reliable piece of research to assist companies in this sector (and, hopefully, others) to engage with their employees and establish good practice
- III. through the process of doing this research, to improve my own practice as a senior professional in the sector

## The objectives

- I. to ensure adherence to the principle of transparency through a critically reflective approach (FPAR)
- II. to explore and compile in this document a range of literature that can be a beneficial resource for employers and employees to improve employee engagement in pensions and to collate a set of factors that inhibit engagement
- III. to carry out exploratory research into whether the language used in the sector is a key inhibiting factor or simply one of a number of factors, and to challenge my own assumptions on this point
- IV. to carry out exploratory research into whether face-to-face communication would improve engagement with pensions and to challenge my own particular preference for visual presentations (as they work for me)
- V. to provide a reflective account of the challenges that a professional such as I faces with tackling the literature about carrying out research which at times was confusing, contradictory and unnecessarily complex, given the nature of the research

## Desired outcomes for audiences

Other than finding the magic formula that would get everyone in the country to engage with their own pensions, which I accepted was unlikely, I decided that I would settle for:

- this research itself being informative to professionals in the pension industry, and to organisations, HR departments and policy makers
- writing this up for professional journals for the sector
- presenting a paper at the next pensions conference
- preparing papers for the board of my then employer
- being of interest to the general public as to why they may not be engaged with their pensions

## Desired outcomes for my practice

- to be a more informed professional
- to be more insightful about my own strengths and limitations
- to be more confident in making recommendation

It is important for me as a pragmatist and in my current decision-making role as Risk and Governance Manager for Legal and General to ensure reliability of anything which will impact employees. Although my remit is wider than before, pensions remain a key focus for me as I am invested in desiring for employees a level of financial security when they retire. I believe it is my responsibility to provide the conditions to support their engagement in their own futures which diminishes in time the older one gets. A factor that can secure a healthier society is one that does not have a rapidly growing ageing population dependent on younger generations working longer and paying ever increasing taxes. Employers and pension providers can de-complicate this web of confusion between stakeholders - private, public, regulatory bodies and financial institutions. My audiences are all of these to provide information for them on which to demystify, simplify and encourage stronger engagement with employees in their pension schemes and decisions they can or cannot make in relation to them. I am now in a position to influence change with extensive networks in the sector through which I can encourage focus and change in this direction.

I would like to conclude this section with a reflection that I had when I had been looking at the influences on my choice of design. One question that I had not asked myself in any depth was...

### What makes this research project worth doing?

Talmy (2010) notes that there are three broad criteria which need to be met to ensure that a research project has been worth doing, and that its results carry value: the project needs to be original, worthy and feasible. In truth, these are no more than common-sense since it would be pointless to expend time and effort on any project if it turned out to have had no discernible value beyond filling the researcher's days. Of the three criteria, originality proved to be the easiest to show.

There are several views of what 'originality' is. It can be defined in terms of a completely new topic, which is rare. More likely, it will be an aspect of a research topic that has never itself been done before, certainly not as comprehensively as what is being proposed. Originality can also be considered in terms of a new research context, for example, a new setting or group of participants, or revised instruments or different techniques for carrying out the research. The discovery of fresh knowledge or the development of fresh insights can also be considered to be original. Finally, originality can be thought of as a mixture of any or all of these elements. More recently a term used which may capture all of the above is 'distinctive'.

Turning specifically to pensions, there has been some quantitative research on people's engagement with pensions, as already discussed. Despite a thorough search through the literature, however, I failed to find any previous research that concentrated on people's feelings towards their pension

savings. In particular, there has been no research carried out at a point in their lives where it would still be possible for people to make changes to bring about a better retirement income.

State Street Global Advisors carried out a large, longitudinal research project, 'New Choices, Big Decisions'<sup>15</sup> which investigated people's feelings. This looked at the retirement process itself and concentrated almost exclusively on feelings at the decumulation point, when people were deciding what they were going to do with their retirement savings. The focus was on people's confidence in their decision-making and the extent to which they were pleased with the outcome they achieved. My project, in contrast, focused on exploring people's feelings while they were still at the accumulation stage or, in layman's terms, saving towards retirement.

The second criterion, that the research be worthy, can best be determined by a project's likely yields and outcomes, and how well the research addresses a gap of knowledge in the existing research field. This criterion will be satisfied by this project thanks to my current job as senior manager at Legal & General. The outcomes of the research will be fed back directly into the management of several large pension products; indeed, the results of Stage 1 have already been published in a leading industry magazine as a double-page spread. There is thus the potential to reach providers who are responsible for the retirement savings of many more millions of savers. If they were to alter their practice and engage with members in ways which the research shows to be more effective than at present, this could have a positive impact on the retirements of these workers.

The third criterion is that the research should be feasible. This was a prime concern from the start, and I went to great lengths to ascertain that access to participants would be available. Of course, simply having people to interview would not of itself ensure feasibility so I piloted the project with the aim of testing three crucial factors. These were that:

- The interview questions were answerable, unambiguous and did not confuse interviewees
- It was possible for me to transcribe interviews within a reasonable period of time
- It was possible for me to code the data in such a way as to produce meaningful results that were susceptible to analysis

## Summary

It may look as if everything was clear and straightforward. It was not. My struggles with the process as a professional practitioner who was not only exploring concepts for the first time but who was also

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<sup>15</sup> <https://bandce.co.uk/wp-content/uploads/2016/03/ssga-tpp-report-new-choices-big-decisions.pdf>



actually applying them to produce something meaningful was, in many ways, the greatest challenge of this research. In Chapter 4, I have therefore included a reflection on those struggles.

## Chapter 4: Research Activities

### Why someone might not engage with their pension: refining the research focus through literature; two pieces of exploratory research

Accessing more literature provided me with contextual factors, some of which I had not considered before. These included time, place, social political climate, age, emotional factors, and market confusion and they became a key part of this research focus itself. Two pieces of exploratory research (ER1 and 2) were undertaken to check out and contextualise the two primary reasons that the sector believes are why people might not be engaging with their pensions:

1. the language in which the statements are communicated (a very common belief in the sector)
2. face-to-face communications and visual presentations, both of which I have experienced as being helpful and which I thought would be helpful for others

In the end, however, it was the literature that would challenge both my own and the sector's perspectives on why people were not even opening their statements, let alone reading them and doing anything about them.

### Broad research area

The prime concern of most employees is what they get paid at the end of each week or month. The subject of future, post-work income – pensions, in other words – usually elicits what appears to be disinterest. A long-standing problem faced by pension providers is the lack of member engagement with the topic. This lack shows in several ways: members' failure to keep track of their pension pots<sup>16</sup>; their failure to update pension providers with changes in beneficiary, leading to disputes<sup>17</sup>; the current situation in which only 5% of members opt out of the default fund; and a widespread lack of 'shopping around' by those who choose to buy an annuity<sup>18</sup>.

The need to address this lack of engagement has been magnified by the switch, over the past few years, to predominantly Defined Contribution (DC) schemes and away from Defined Benefit (DB) schemes. In turn, this has shifted the onus on achieving a reasonable pension from employer to employee. A DC scheme is one where the employee and, sometimes, the employer pay contributions into a pot which is turned into a pension at retirement; a DB scheme is one where the pension is worked out with reference to a person's salary at retirement (or on leaving the company if earlier),

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<sup>16</sup> The Pension Tracing Service, run by the Department for Work and Pensions (DWP) received around 145,000 requests for help with lost pensions in 2014 – 4 times the amount received 4 years earlier.

<sup>17</sup> Over the same period, TPAS received 2,221 dispute cases; the third-biggest category of disputes was decision-making and 13% of these related to disputes on the distribution of death benefits.

<sup>18</sup> Research from Hargreaves Lansdown has found that the difference between the best and worst annuity rates can be up to 31%, and for an enhanced annuity - which pays higher rates to those with health problems - the difference is much greater at 46%.

length of service and formula given in the scheme rules. DB schemes, owing to funding problems, are becoming increasingly rare in the private sector and uncommon in the public sector.

Having worked as an employee of and, more recently, as a volunteer adviser for The Pensions Advisory Service (TPAS) reflection on my experience there has shown me that people find pension communications off-putting. Initially, I intended this research to explore this attitude, using a structured methodology to uncover why this distance exists; whether improved communications between pension providers and members could close the gap; and whether I could persuade pension providers to amend their communications as a result of my findings.

There has been research into the general area of member disengagement. Byrne and Rhodes (2005) used focus groups to explore employees' attitudes towards their occupational pension scheme. They found that employees had limited knowledge about pensions and the provisions of their own scheme. As will be seen later, my own research confirms such views.

At a Pensions and Lifetime Savings Association seminar, the facilitator said, 'If I told you that when you got back to your desks, there would be an envelope containing a cheque for £25,000, you would go and open it straight away, but if it was a pension statement, you probably wouldn't bother'. There was general agreement with this sentiment – and also agreement that it was ironic, given that the staff concerned were themselves employed in the pensions industry.

Gough and Hick (2009) research employees' feelings towards pensions and investments through sixteen interviews with managerial employees. They find that respondent age was an important factor, with younger employees taking less interest than older ones. They add that Goode (1993) discovered that while 73% of employers thought that employees take pension benefits into consideration when changing employment, this was an over-optimistic view as employees rarely do.

Byrne (2007) observes that many employees show limited interest in their pension arrangements. He finds that many people struggle with the choices that they face, and that they tend to take the line of least resistance by, say, remaining in default funds. He reports that Worthington (2006) found that general financial literacy is positively related to age, education, income and gender. Byrne notes that a programme with behavioural underpinning is more likely to be effective, given that most people suffer from familiarity bias - the tendency to opt for what they already know rather than risk the unknown. He relates this to the then-current 'SMarT' (Save More Tomorrow) programme, but a more recent example is the automatic enrolment initiative. This began in 2012 and has resulted in many people starting pension saving for the first time. This has harnessed inertia – people must actively do something (opt out) to *stop* pension saving, rather than actively do something to start it.

From the above examples, it is not difficult to identify a number of common factors:

- Employers think that employees are a lot more interested in pensions than they actually are
- Employees' interest in pension saving varies according to identifiable demographic factors
- Employees may not see their pension savings as 'real money'
- Employees view pension communications as dry and boring
- Inertia should be recognised as a force that is both powerful and capable of being harnessed

## Exploratory Research 1 (ER1)

### Exploring the language of communications through Questionnaires

Given that people find benefit statements boring, my initial theory, as mentioned earlier, was to investigate whether a greater level of engagement could be created by amending the wording of a statement as this was what many in the sector thought might be the issue. I hoped that an optimised version could be created which people would find easier to read and understand. I also hoped that once companies had seen better statements and been persuaded that they could lead to better engagement, they would initiate a positive spiral of improving their communications, and testing, re-evaluating and continuing to refine them in a continuous cycle of improvement.

The overall purpose of any research for me at this time is to contribute to an increased engagement of employees in their pension schemes.

The aim of this particular stage (ER1) of the research was:

- To determine whether member engagement can be improved by the transformation of the communication from 'pensions sector speak' to plain language

And the objective to fulfil the aim was:

- to implement exploratory research among employees to see whether changes to the language of the pensions would increase engagement in collaboration with my employer to learn how to subject their communications to a programme of continuous improvement.

And, finally, the desired impact was:

- if resistance to change were encountered, to explore the reasons for this and to make attempts to overcome them

I ran a series of experiments which are explained below. The findings from these experiments swiftly led, however, to my realising that a revised approach and objectives were going to be necessary if I were to reach my goals. Notwithstanding this, and to provide a full account of the entire project, the next section explains in detail this ER1 and the conclusions to which it led.

In order to begin to map out the research area, I ran a series of quick experiments to uncover the barriers which pension providers may unintentionally be creating by their use of language. My intention was to start with one type of communication and, as I compiled the findings, to move to other types, using lessons learned from the first communication types to make more rapid progress with later ones. I chose member benefit statements as a starting point as they affect a large number of people: under disclosure regulations<sup>19</sup>, every pension fund member who has a DC pension must receive a statement for every pension pot every year. An improvement to these communications could have a far-reaching positive effect on the many people who were in receipt of a pension statement from the client company.

In previous research into language as part of a Master's degree, I had used a questionnaire, distributed by post or email. The process of distributing and collecting the questionnaires was slow, expensive and very time-consuming. In line with other research conducted in this way, the response rate had also been disappointingly low. I concluded that it would be too slow and uneconomical to carry out meaningful research into benefit statements using this medium. It was clear that what I required was a quick method which would enable the testing of several phenomena in rapid succession, the results from each of which would allow iteration if required.

Since research has shown that people are not inclined to read pension statements, I thought it reasonable to infer that they would be equally unwilling to complete a lengthy questionnaire about pensions. I therefore decided to pose a simple question every week in which respondents were given a choice from a short list of options. The questions were based on phrases, symbols and terminology that appeared in the pension benefit statement under investigation, including terms such as 'pension pot' or 'assumptions', tone of language, and the use of different fonts or capitalisation. Respondents were asked to indicate their preference from a list, or to put forward their own proposal; to express disinterest; and to add comments if they wished.

A sample question is shown in Figure 1 overleaf.

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<sup>19</sup> <http://www.legislation.gov.uk/ukxi/2013/2734/contents/made>

**Figure 1**

Using Qualtrics (a simple web-based tool that conducts survey research, evaluations and other data collection activities), I set up a survey which required the selection of one option from a list, and which gave the facility (but not the requirement) to leave a text comment. The Qualtrics software reported that the expected completion time for the questionnaire was under a minute, a figure that I used when distributing the questionnaire to encourage people to join in. I chose the first question to be pictorial in nature and colourful, so that it looked and, indeed, was easy and fun, in the hope that, having found that participation really did take less than the promised minute, participants might be tempted to complete the following week’s question.


As the membership profile of all pension schemes varies, I could see no justifiable rationale for trying to achieve a stratified sample; I therefore chose a combination of social media and snowballing to reach a lot of people quickly, cheaply and easily. I used Linked-in as a platform to encourage people to complete the surveys, and I also promoted the surveys by starting threads on a very popular forum for equine enthusiasts and through Facebook. I made no attempt to obtain or record demographic details.

The full questionnaire results are given in Appendix 1. They show that although most questions generated a preferred answer, this was seldom an overwhelming choice and comments were frequently contradictory. The range of responses led me to conclude that there is no magical wording formula that could transform pension benefit statements into must-read documents.

These results were certainly worth some reflection, particularly on the indifference towards variations in wording that I found which indicated strongly that further work in this area would achieve, at best, marginal gains in making benefit statements appeal to members. However, the findings, negative though they essentially were, turned out to be of real practical and commercial use, making a contribution towards practice.

I shared the outcome of this initial research with NOW: Pensions, a very large master trust with over 1.8m members (split between active and deferred members), where I then worked. The trust was

Q1 What is the first thing that this image makes you think of?



Q2 Which (if any) of these icons makes you think of 'income'?





Option	Icon
A	
B	
C	
D	
E	All of them
F	None of them

Figure 1

reviewing its benefit statements and the results of the research were instrumental in persuading it to avoid an extensive, iterative process whereby the wording in the statement would be repeatedly revised. Each revision would have had to be approved by many departments, including Compliance and Marketing, which would have taken time and money. After I had convinced all interested stakeholders that no amount of revisions to the wording would have much effect on whether members read or engaged with their benefit statement, they agreed at an early stage to go forward with a wording that met disclosure requirements rather than waste further time tinkering with it.

A further, unexpected application of the ER1 findings concerned a national project which commenced in early 2017. This is a collaboration between the DWP and various pension providers and industry groups with the aim of producing a common benefit statement whereby every provider would undertake to use the same template for benefit statements. People with multiple pension pots would thus receive statements with all the information laid out in the same way. This would also tie in with the 'dashboard' – another government and industry collaboration to collate information about an individual's pension savings on to one platform.

As I touched on earlier, at the October 2017 PLSA conference, I was approached by two individuals working on the common benefit statement project. They asked me for an opinion on a draft template from both a plain English and a compliance perspective. I shared the results of my initial research with them to provide an insight into areas such as the use of capitalisation, where a clear preference had been shown, while also suggesting that there may be more merit in achieving familiarity by the commonality of the template, rather than concentrating exclusively on the wording.

Following the government-inspired roll-out of automatic enrolment, which began in 2012, around ten million people<sup>20</sup> have now been joined into a pension scheme, all of whom will now be eligible to receive a benefit statement on their savings pot, or pots. The inference is that my findings – and I continue to be actively consulted on the common benefit statement project - have the potential to directly affect these ten million pension scheme members.

I also presented the initial findings at Middlesex University's research conference in June 2017. It is therefore possible that those findings may also have influenced audience members involved with the production of similar documentation.

My experiences of the sector (TPAS, PLAS and NOW: Pensions) and ER1 of my research which was focused on the issue of communication improvement through plain language helped me to identify a

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<sup>20</sup> Figure correct as at February 2019

problem which few were interested in addressing. ER1 brought to the surface six things which have influenced my current thinking and focus:

1. the need to refine my focus if I were to contribute to solving the problem
2. that the solution did not lie in refining the language
3. what was missing was the human element, the feelings people have around pensions
4. the value of critical reflection including keeping a journal/diary,
5. the paucity of academic literature on pensions
6. the importance of being an insider researcher, a considerable influence on my choice and what to be aware of

My professional and personal development through this work, and my curiosity and commitment to the issue, led me to critically reflect on what I had uncovered and what more needed to be done which had the potential to lead to improved engagement. Three examples are a (more) accessible and friendly website, provision of a telephone helpline and face-to-face employer-led seminars with small, stratified groups of employees. As it was now clear that there was little point in trying to distil a benefit statement with the most engaging wording, I redirected my focus to a different form of engagement, specifically that third point – face-to-face seminars, they had worked for me and a few other people I had spoken to in my network in the sector.

For some employers, these take the form of a presentation on the features and benefits of the pension scheme in which employees are given the opportunity to ask questions relevant to their own circumstances. This form of interaction is expensive as staff are taken away from their usual duties while attending the presentation. In customer-facing companies, cover needs to be arranged for helplines, say, which adds to the cost and means that staff have to attend in shifts. If this engagement did actually bring about a change in employees' attitudes to pension savings, however, it would be more cost-effective than giving employees a piece of paper once a year in the hope that they will read, understand and act on it.

A reasonable question that I asked at this stage is why an employer should choose to do this. I believe that there are two major reasons why an employer might want their employees to be engaged with their pension savings and satisfied that they are putting aside enough money to fund a comfortable retirement.



The first is that some employers, even today, remain paternalistic and genuinely wish to reward their employees and do their best to ensure that they have sufficient means for their retirement. More broadly, the second relates to management of the workforce age-profile. Now that employees can no longer be forced to retire at a fixed age, it is more challenging for employers to ensure they have an appropriate blend of workers in each age stratum. If employees have been able to build up a satisfactory pension pot that will give them an adequate income, arguably they would then be more likely to be amenable to retire at a time that better suited the employer.

Returning to face-to-face presentations, if a significant change in the way that employees speak about their pension savings were found after such a presentation, this evidence could be used to persuade other employers of its value. A good pension scheme with a high level of take-up by employees is not only a useful tool in managing the workforce age-profile, it can also make a valuable contribution to staff morale and loyalty. This approach had worked for me. My next piece of exploratory research would be related to face-to-face presentations (ER2). Here, I would explore human factors, and I would; choose a qualitative approach that would capture subjective responses with ethical awareness; continue to keep a journal; still aim to have the outcome of offering something both practical to my sector and worthwhile to academia through theorising the issues which emerge from the research.

## **Exploratory Research 2 (ER2) Interviews**

The aim of this particular research activity was:

- To check out the value of face-to-face presentations in my organisation (at the time, NOW: Pensions) to see if there was any indication that this would improve employee engagement with their pension. This had emerged from my professional role and my experiences in the sector

### **The conceptual framework**

Regoniel (2010) explains that the theoretical framework has a different scope from the conceptual framework, with the former describing broader relationship between things and providing a representation of relationships between things in any given phenomenon.

Nalzairo (2012) notes that the function of a conceptual framework (also referred to as a 'research paradigm') is to clarify concepts, to propose relationships between the concepts in a study, to provide a context for understanding the results of the research, and to explain observations. Mehta (2013) adds that it is both the researcher's own position on the issue under investigation and gives direction to the research. Regoniel adds that the conceptual framework is much more specific in defining this relationship, specifying the variables that will have to be explored in the investigation.

The difference between theoretical framework and conceptual framework can be further clarified by the following examples on each, as related to my research:

Theoretical Framework: When an intervention is carried out, it may have an effect

Conceptual Framework: An employer presentation might affect employees' feelings towards pension savings

Maxwell (2013) uses the example of the Vasa, a Swedish warship that sank a few hundred metres into its maiden voyage in 1628, to illustrate the potential danger of a chasm between a theoretical framework (for imperialistic reasons, King Gustav II wanted to build the largest warship of all time, regardless) and a conceptual one (the shipbuilders should have taken into account the stability requirements of such an undertaking). More prosaically, a theoretical framework should be based on existing theory and the conceptual framework should grow out of this, with the researcher adding their own variables and constructs. Figure 7 below (see p93) illustrates the conceptual framework for my research.

### Reaching a decision

After exploring the context, the influences on the choice of a research design and a selection of relevant literature, I decided on a qualitative method for ER2 of semi structured interviews to capture the feelings of participants. The participants were all current employees of NOW: Pensions, in either the Nottingham or London offices, who were willing and available to speak to me. It was not possible to use stratified sampling as it proved difficult to find willing, available people, and trying to use any sort of sampling approach would have rendered the whole exercise impracticable.

I wanted to interview them about their feelings towards pension saving. This was a good fit with the pragmatic approach – the willingness to use the most appropriate tools to get the job done – and met the professional doctorate ethos that the researcher should seek to solve a real-world problem. FPAR guided me to be constantly aware and be transparent about my choices and the context in which they were being made. The intention of FPAR is to facilitate the development of the researcher as a researcher and as a leader through a process of transparency and engagement in reflexivity, that is, to see how one's self is part of that living system in which one is researching.

According to Marshall (2004, p.307):

As I conduct first person inquiry in these ways, I sometimes have a sense of increasing choice about my assumptions, attitudes and behaviours which I see as development of some kind, although often this makes life more rather than less complicated.

## Identifying the who with, where, how and what for: Considerations

Having read a large amount of literature on the subject of the semi-structured interview, I was well aware of the pitfalls of collecting too much data. Mathers et al (1998) opine that one hour of interviewing could take at least ten hours to transcribe. I had initially determined to carry out ten interviews in the first phase with employees of NOW: Pensions who were willing and available to talk to me about their feelings towards pension saving. It proved extremely difficult to procure participants as most had heavy workloads or were required to stay at their station in the call centre, so I had to use people who could make themselves available rather than attempt any sort of stratified sampling. Ten one-hour interviews were going to take one hundred hours to transcribe, which equates to 12½ eight-hour days. Transcribing those first-phase ten interviews would therefore take over a fortnight of normal working days. I considered outsourcing the transcription of the interviews. However, having read further on the topic, I became aware that the actual transcription is itself an act of analysis, and that it was of great advantage to the researcher and their understanding of what was being shared if the researcher did the transcribing.

It did not seem feasible, however, to generate a huge amount of transcription work, and I therefore decided to restrict each interview to twenty minutes. This would still involve over four working days of transcribing so, before commencing the interview process, I decided to carry out a full pilot process (obtaining consent; carrying out the interviewing; transcribing the data; coding the data) to check whether a twenty-minute interview would be adequate to cover all that I wanted to.

The interviews had one overriding purpose: to discover how people feel about their retirement, with an emphasis on how they expected to fund it. My aim was to unearth these feelings by asking interviewees about four broad areas:

- when they were hoping for their retirement to start
- whether they had made any plans for it, and what those plans were
- how they were intending to fund it
- any other specific or general thoughts they might have on the subject

For the research activity of interviewing I selected employees using a range of criteria which included age, gender, seniority, and time spent working for the company. Availability was a major factor, however, and given my timescale, a properly stratified sample was impossible because of this.

Among the potential twenty interviewees (I had decided to increase the number from ten to twenty), there was a mix of employees who had been given the presentation, and those who had not. By

chance, NOW: Pensions' HR department was in process of reworking the presentation (an exercise which would be informed by the outcome of this research). What this meant, however, was that it was not possible to match exactly the presentation and no-presentation samples. However, there was enough of a mix to allow the attitude of the former group towards pension savings to be compared with members of staff who had not been given an employer presentation.

### Interview schedule

In total, I carried out twenty interviews with employees of NOW: Pensions over a period of six months between September 2017 and March 2018.
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To get around the potential problem of interviewees feeling uncomfortable both at being interviewed at work (with connotations of a job interview) and also by having to speak at length to someone they would see as a senior member of staff, I wrote a brief preamble which had the specific design of putting them at ease. This gave a brief recap of the background to, and reasons for, the research which supplemented the more detailed explanation that all interviewees had already received, together with the consent form. I gave them an assurance that I was acting purely in my capacity as a researcher, and not as the Head of Risk and Governance. I stressed that the interview would be recorded, and gave the reasons why I was doing this, and I also asked them to confirm that they had indeed given their consent before the start of the interview.

It is impossible for me to ascertain the extent to which this preamble was successful, but it seemed more acceptable at least to make an attempt to offset any 'interviewer effect' while at the same time covering ethical issues and allowing the interviewees to get used to the situation rather than being asked questions as soon as they had sat down.

### Selection of questions

After I had made the firm decision to allow time to carry out a full pilot process, with the intention of making adjustments should the interviews prove to be too long, too short or not generate any useful data, I felt that it was appropriate to make a first draft of questions. I chose ten questions as the number to begin with, a number that I accepted that I might have to adjust depending on the amount and quality of data that the pilots obtained.

To reiterate, the main point of the interview was to elicit from interviewees how they felt about pension savings. However, it seemed inappropriate to lead with this, given various commentators' emphasis on building a rapport with the interviewee, and generating a relaxed atmosphere. Mathers, Fox and Hunn (1998) stress that all questions must be answerable, while a study carried out by the

Government's social research department found that it was important to interviewees that they felt comfortable and at ease during the process.

The full list of questions can be found in Appendix 2. The earlier questions were designed to be answerable without the interviewee having to give them too much thought. The first question simply asked interviewees if they had an age in mind when they thought that they might want to retire. This question could be answered with a number as well as yes/no or with an explanation and was aimed at setting the tone for the interview. The next question, which was about retirement plans, then gave interviewees the opportunity to talk about themselves and their plans.

The crux of the interview as far as the research was concerned – how interviewees felt about retirement savings – was deliberately buried in the middle of the interview so that interviewees would have had the chance to 'warm up' by the time they got there. I was conscious that this question, the heart of the research project, might not have been answerable if I had placed it first as interviewees might not have got into the rhythm of thinking about their retirement.

The questions towards the end required a greater depth of thought and were concerned with the level of financial planning that interviewees did or did not do. My hope here was that by the time the interview had reached this stage, sufficient rapport might have been developed for interviewees to feel comfortable to relate more personal information and to have the confidence to stop, think and ask me for clarification if they needed to do so. To avoid making the interview too personal, I deliberately took great pains NOT to ask anything to do with specific figures, keeping such matters purely hypothetical.

### The pilot process

There is a general consensus among commentators who have dealt with the method of carrying out semi-structured interviews that a pilot process was a very important part of the project. Bisits Bullen (undated) says that semi-structured interviews done in a rush could result in a pile of interview notes which did not contain any useful information. They add that any testing is better than none and recommend that a small sample of respondents be selected upon whom the entire research process should be followed. Any improvements or adjustments can then be made depending on the results.

As I have already noted, I was very apprehensive about the prospect of carrying out interviews and was very reluctant to do it. However, for the reasons already explained, I also felt that it was crucial for me to personally interview people in order to determine their feelings. Through this, it would be possible for me to ask follow-up questions, to explore anything said that was of interest, and to resolve

misunderstandings. None of these things would be possible with a questionnaire. I felt that if I chose to use a questionnaire, I would be opting out of doing the research with sufficient rigour.

The very first interviewee turned out to act as a true pilot for the entire process, enabling the whole undertaking to be tested from start to finish. It was an opportunity to try out every element. I wanted to check the appropriateness of each of the ten questions to ascertain if it elicited responses within the intended parameters, and to find out whether or not the questions as a whole would generate helpful and analysable data. The list of questions can be found in Appendix 2.

It was important also to test the equipment to check that it would record correctly and that the audio recording would be of sufficient quality such that I could transcribe it. I felt that it was important to video the interviews in case I needed to take into account body language and expression in order to derive sufficient meaning. I also wanted to try out the process of saving the data because I am not a natural with technology and there would be no point in pressing ahead with recording the interviews if it transpired that I was incapable of storing the data in a retrievable format. There was no way to check that the interview would be of about the right length without conducting one as I had no feel for whether I might generate only a few minutes' worth of conversation or forty minutes' worth, nor to check interviewees' comfort with being filmed.

I had initially thought about piloting three interviews but changed my mind and concentrated on just one. I took the plunge and carried out the first interview, treating it as a standalone pilot of the process. I was taken aback to find that it only resulted in around ten minutes of conversation. It was very well worthwhile carrying it out, however, as initially I was distraught to discover that the sound did not appear to have been recorded at all. Fortunately, I found that this was due to the settings on my laptop and therefore easily rectified. Had the sound not been recorded, it would have been better to have found it after just one interview session rather than wasting three sessions, which could have been the result if I had carried out the whole pilot process without first conducting a trial of the process from beginning to end.

I was also curious to find out for myself the extent to which the act of being filmed and the knowledge that filming was taking place would intrude on the interview. I share with most people a distaste for being filmed – although it was necessary in order to capture expression and body language in case I had to analyse it. I also explained that I would be filming, the reasons for this, that the recordings would be kept secure and that I would not film without explicit consent. This was also on the consent form. I had noted that commentators were divided on whether 'the camera' was intrusive, with some feeling that it was an ever-present intrusion and others that it simply melted away. Having expected

to find it intrusive, I was pleasantly surprised that I forgot about it virtually straight away. As far as I could tell, its presence had no noticeable impact on the interviewee, either: certainly, he did not mention it at all. The reason for this might have been that I was using the camera embedded in the laptop rather than a separate camera on a tripod. Because laptops are such an everyday feature of office life, unlike cameras on tripods, it may simply have blended in.

I was disappointed that the interview had only lasted for ten minutes, and wondered what I might have missed, or what I could have done differently to reach the planned length of twenty minutes. However, once I started on the transcribing process, I discovered that all my questions had, in fact, been answered adequately. If I had asked too many follow-up questions (although the interviews were intended to be semi-structured, if there were too many asides, the data might have become sprawling and difficult to code), other than where they were strictly necessary, there was a danger that I would have generated data which were not strictly applicable to my set of questions. It was important that the core questions were answered in full so that I had comparable data sets, with the follow-up questions adding background and colour. And although this was subjective, it seemed to me that the ten-minute interview had 'felt about right' in terms of the amount of time an employee could reasonably be expected to give up out of their working day. Furthermore, especially in terms of how long the transcribing might take, I did not think that it would be realistic to carry out twenty 20-minute interviews.

I then continued the pilot process with another two employees to check that the first interview had not been anomalous. I found that each of them also generated around ten minutes of conversation, and that the questions were answered as I had expected and hoped, giving useful and useable data.

After the pilot of three semi-structured interviews had been carried out, and transcriptions made, I reviewed the data to see if there were any obvious gaps. I could find none which meant that the remaining seventeen interviews could be carried out without any adjustments either to the process or the questions asked.

Seven of the interviewees – just over one-third of the total - had been through an induction presentation with their employer, NOW: Pensions, when they joined the company. These will form Set 1 in the results section. This presentation covered aspects of demography, retirement in general, and the potential benefits to employees of thinking about and saving for a pension. However, because NOW: Pensions had only recently started giving new employees the presentation, and because the company had now decided to suspend it while the HR department made major changes to it (an

exercise that will itself be informed by the findings of this research project), the remaining two-thirds of the sample (Set 2) did not receive one.

## Ethical considerations

Before the first interview could even begin to be carried out, it was crucial that I consider the ethics of the project. The purpose of doing this is to ensure that participants are not harmed, directly or indirectly, as a result of their participation in the research. I was already very aware of ethical issues. Indeed, as part of my role as Head of Risk and Governance, I had written a paper for the Executive Board of NOW: Pensions on the importance of having an ethics policy. In addition, I had both drafted such a policy and also recommended the appointment of an ethics officer to oversee the development, oversight and enforcement of such a policy.

Although an interview in a familiar office setting would not on the face of it appear to pose a threat to participants' physical or mental wellbeing, there were in fact a number of considerations. To start with, there was the fact that all participants would know each other, as they were all employees of NOW: Pensions Limited. This meant that the confidentiality of responses was particularly important. To address this, I took serious precautions not to reveal what any one respondent had said to any other respondent or, indeed, any outsiders. There was a line to be drawn between on the one hand encouraging interviewees to speak out by the use of deliberately probing questions and giving them reassurance by saying, 'Oh yes, someone else also said...' This was something that I never said, however tempting it occasionally was when a respondent looked in need of such reassurance. I recognised that although all interviewees would be identifiable by me, their responses had been made in strict confidence and that confidence had to be maintained. I made sure, as far as I could, that all respondents were aware of this.

A precaution which had been mentioned frequently in the literature and one which I adopted was the process of removing interviewees' names from the data as soon as possible. The only record of interviewees' full names is on the interview schedule; when transcribing the interviews, I decided only to refer to interviewees by their initials, and to follow the same protocol when carrying out an analysis of the data. The effect of this was to anonymise the data at the earliest possible opportunity so that individuals' comments could not be traced back to them.

I gave much consideration to the safe storage of data. I decided to store the video recordings of interviews, all transcripts and all analysis on my personal cloud storage, which was password protected. No data were left where they could be accessed by third parties, and I removed them



immediately both from my employer's C:drive where they could have been viewed, deliberately or otherwise, by anyone who also had access to that C:drive.

It is inevitable that the very act of being interviewed is a transformational process. By this, I mean that it can prompt an interviewee to think about things that they might not have if they had been left to their own devices. Thinking about the very topic of retirement savings could potentially be worrying. There is no shortage of newspaper headlines warning that millions are facing an impoverished old age due to factors such as a lack of pension saving, changes to government rules on pensions, or the insolvency of employers or pension providers. It is inescapable that many people are not saving enough for a comfortable retirement, but I knew that it would not be helpful to alarm the interview subjects unduly. I therefore took great care to couch questions in as non-alarming a way as possible (although I did realise that the very act of being asked to reflect on their saving arrangements might prompt some interviewees to begin to question their adequacy).

To help address the situation with respect to ethics, I drew up a template which explained the nature of the research and how it would be conducted. The template also stressed that there would be no negative consequences (especially relating to their future careers at NOW: Pensions Limited) either as a result of their participation or if they had decided not to participate. A copy of this template was given to all potential interviewees in advance so that they had time to review it and decide whether or not they wanted to participate. It is included as Appendix 6. Each interviewee signed a copy, all of which were collated and filed, with a further copy being retained by the interviewee for reference.

One great challenge for me was to stick to the interview questions, and restrict myself to follow-up questions only where necessary, and not allow the interview to degenerate into general chat. As previously expressed on a number of occasions, I have no great liking for the interview process and felt embarrassed at having to ask a series of people my questions. It was therefore extremely tempting to let myself off the hook by descending into general chat. Often when interviewees mentioned some feature or other of their retirement saving experience, I wanted to chime in with an experience of my own. However, I kept my interview schematic in front of me at all times, with the sentence 'how do people FEEL about their retirement savings' showing prominently, to remind myself that the object of the exercise was to obtain data and not to have a nice chat. My success with this can be judged from the transcripts, included as Appendix 3, from which it can be seen that, with the exception of external, uncontrollable events, the only occasions on which I deviated from the script were when I added follow-up questions.

I always finished by thanking the interviewee for their time and switching the recording off. It was interesting that several interviewees then went on to make further revelations 'off camera' which were often of a personal or insightful nature. This suggests that, in their minds, there was a difference between being 'on record' and 'off the record'. On several occasions, I wished that I was still recording so that I could write down these insights, but then I realised that although they were indeed fascinating, they lay outside the bounds of answering the questions and would therefore not be useable even though they were relevant and of great interest. This led me to consider the link between semi structured interviews and open dialogue or approaches that elicit more sharing. I had not contracted for that and believed I would cross an ethical boundary to use them for a public document. However, I was appreciative of these off-camera insights and they have informed how I might approach anyone if the occasion arises on matters relating to their pension engagement.

### Strengths and weaknesses of the chosen approach of a semi-structured interview

It would be legitimate to ask what a semi-structured interview can achieve that a questionnaire cannot. I was interested in exploring for myself in research what a face-to-face encounter could produce that a questionnaire might not, especially as my focus was on the feelings people might have with regards to their engagement with pensions. It would then be up to me to analyse and interpret their responses. This section explains in more detail my choice of this approach for ER2.

The strength of the semi-structured interview is, as I have already noted, its ability to generate data in a replicable but at the same time flexible way. I had a 'core' group of ten questions which I always asked in the same order. This meant that all twenty interviewees' responses to, say, question seven could be compared and the differences and similarities examined in great detail were I minded to do so. However, the semi-structured format both allows for follow-up questions to be asked and allows the interviewer to shape the interview if it is not going as intended. For example, if an interviewee was struggling to understand a question, I could provide illumination and, if they were still struggling, then provide an example or two of the *type* of response that I was expecting in order to help them. And where an interviewee apparently had nothing to say in response to a particular question, I could ask probing questions to try to get some sort of dialogue out of them.

One feature of semi-structured interviews which can be both a strength and a weakness is the skills set of the interviewer. As a relative novice to interviewing and a complete novice to the research-based semi-structured interview, it was always possible that I might not generate any useable data. The interviewee and I might have sat there in an awkward silence, or I might have failed to generate

an atmosphere in which they could relax. I might have hurried through my questions because I found myself embarrassed to be asking them, or I might have strayed off course.

However, such was my determination to carry out the research in a professional way that it led to a (subjectively judged) fair performance. It also turned out to be helpful that I carried out the transcription process at frequent intervals rather than waiting until I had finished all the interviews. Although it is extremely painful having to watch oneself on the screen, and even more so to listen to oneself over and over again (as was necessary to transcribe with accuracy, given the respondents' tendency to repeat and divert themselves), this did allow me the chance both to analyse and reflect on my own performance and also to think about which questions worked well and which were not quite so successful. I could then amend my performance for the next interview and improve it – though never the questions, whose delivery remained inviolate - which would not have happened if I had waited to the end to transcribe.

An example of this is a question designed to set interviewees at their ease. This was, 'have you got any plans for your retirement?' and it turned out to cause some confusion early on as interviewees thought that I was asking how they planned to pay for it. For the later interviews, therefore, I was able to add the rider, 'for example, is there anything you want to do?' to make it clear that I was thinking about hobbies or travel rather than financial planning at this stage. Similarly, several interviewees were baffled by the most important question, which was, 'how do you feel about retirement saving?'. I therefore started to add, 'as a topic. Any word association words that spring to mind?' which ensured that I generated the sort of responses that I wanted but in a way that did not lead respondents in any particular direction.

One major attribute and strength of any research process is its replicability. If another researcher, equally skilled (or unskilled), were to ask the same set of questions of a similar set of interviewees, the intention is that they would generate responses that were broadly comparable. I would add a rider that doing this would also depend on the interviewer having a high level of pensions industry knowledge. A more experienced interviewer who had no knowledge of the pensions industry might have struggled to conduct a semi-structured interview (rather than a structured one) if they had little insight into the admittedly complex and sometimes baffling (to an outsider) subject matter. A further rider should also be added, which is that replicating the set of interviewees will not be easy, except in a similar type of firm as NOW: Pensions.

There are some variables which are very hard or impossible to control. For example, it might be that the effect of being given a presentation wears off over time. A great deal of research on learning has shown that people very quickly forget what they have been taught, with the forgetting being tracked

over longitudinal studies. For example, Bacon & Stewart (2006) found that after two years, 'most of' the knowledge learned in a course has been forgotten. Ebbinghaus's Forgetting Curve, replicated by Murre & Dros (2015),) shows that humans tend to halve their memory of newly learned knowledge in a matter of days or weeks unless they consciously review the learned material.

Being inspired by Kincheloe and Berry (2004, p.47) I knew that I had gathered a lot of good data that could fulfil my aims so I decided what they recommend and that was to be the bricoleur to whom nothing should be wasted, and embrace what is at hand and accept complexity is always in a process of flux and emergence.

Bricoleurs have to negotiate emerging situations, complex processes, multiple contexts, and accelerating social change. Importantly, they must operate in these vexing circumstances while protecting themselves from becoming immobilized in light of the complexity of it all.

Such thinking helped me not to give up because I could not carry out a long sustained piece of research in one organisation – an in-depth case study - because of the constant flux in the market-place impacting people's roles and supporting movement through the sector. I therefore worked with the data I had gathered and learned a great deal about myself and my responses to changes as well as the situation's limitations.

Before moving on to the following two chapters (Analysis of Interviews; and Findings and Recommendations), I will pause to share some reflections which FPAR has encouraged me to do. It is a constant process of reflective learning. On reading the above sections on my research design and activities, it may look straightforward and logical as if it was as familiar to me as the pension sector is. It was, in fact, a struggle. I would therefore like to address this section towards professionals who are looking to do practitioner research which meets both workplace and academic criteria.

You may be competent and prolific in your workplace and your career but upon entering higher education at this level, you will find yourself considerably separated from what is familiar. You enter what is at times a very strange and unnerving space, where the language can have many meanings and where the reasoning and arguments can, at times, have practical use in the world and at other times, be confined to the rarefied world of academia. This world can get caught up, like any human-based organisation, in its tribal differences, its territory-seeking, and its concern with impressing others rather than outside parties. To an extent, that part will be familiar to you.

As someone who has a great interest in the clarity of language, it came as little surprise to me that this was an area that I did struggle with, in particular. I would like to add that these are observations

which I can make at the same time as continuing to respect much about academia. However, I now look at academia from a realistic perspective rather than, as I did before, an unchallenged awe.

### Reflections of the aspiring 'scholarly' practitioner

I struggled while carrying out this research over a long period of time and with keeping it current for the pensions industry, an industry that is subject to constant internal and external influences to adapt and change. Higher education moves at a much slower pace. The one constant in this whole process has been myself.

Firstly, I wanted to carry out the research in my then organisation, NOW: Pensions, which is responsible for £0.6 bn assets under management and the pension savings of nearly two million people. NOW: Pensions provides a master trust that all employers are able to join; there are some aspects of quality which are very measurable – for example, the number of items of communication which are processed within agreed timescales; the number of complaints received about the service; the number of breaches (perhaps of disclosure regulations) that are committed. There are also aspects which are harder to measure such as members' feelings towards their pension savings. NOW: Pensions is judged by its customers (the employers) on its measurable output, and by the Pensions Regulator on its compliance.

The previous sections had clarified my purpose, aims and objective and confirmed that this was an important area to research

The purpose was to contribute to my sector in understanding and implementing strategies to encourage employees to engage in their pension schemes and to be a suitable person to achieve this. The Aims and Objectives of this particular project then were to fulfil this overall purpose. They were :

#### Aims

1. To provide comprehensive and reliable evidence of what does or does not work in engaging employees in their pension existing and conjectured approaches (Stage 1) in practice for their impact
2. To research a face to face strategy approach for impact on which to base recommendations

#### Objectives

1. To research existing and conjectural beliefs about how to engage participants in one organisation (Stage 1)

2. To examine the outcomes of that and explore a range of literature resources pertinent to this research
3. To deepen my own understanding of conceptual frames and methodologies to select the most context appropriate design
4. To determine whether member engagement can be improved by the use of a face-to-face employee presentation by using a research-based approach, to implement a programme of employee presentations in conjunction with the employer, so that they can learn how to communicate most effectively with employees.
5. If resistance to adopting employee presentations as the usual method of communicating the benefits of the pension scheme to staff is encountered, to explore the reasons for this and to attempt to overcome them
6. To subject the data to analysis and interpretation
7. To make recommendations based on the findings

When I first embarked on this research project, I had thought that a methodology was little more than a description of a method or grouping of methods; however, the more I read, the more I realised that it encompasses far more than this.

My understanding was not helped by statements such as ‘methodology is crucial for any branch of scholarship because an unreliable method produces unreliable results and, as a consequence, undermines the value of your interpretations of the findings’ (University of Southern California Libraries Research Guide (undated)) which implied that methodology was synonymous with methods.

This definition turned out not to be universally accepted. Investigation showed that methodology's reach can extend to the systematic and theoretical analysis of the methods used to carry out the research. A methodology does not set out to provide solutions, and it is, therefore, not the same as a method or methods. Rather it offers the theoretical underpinning for understanding which method, set of methods, or best practices can be applied to a specific case to, say calculate a specific result.

The methodology describes the broad philosophical underpinning to the chosen research methods, including whether qualitative or quantitative methods, or a mixture of both, were used, and why one route was chosen over another. Necessarily, reaching my chosen route involved recursion to the literature since I had to select the methods on the basis of a clear academic justification and not simply for my convenience or on a whim.

All research evolves as it progresses; a particular tenet of the professional doctorate is self-development, with the concomitant reflection in and on action. It is not surprising therefore that there were shifts in method and methodology throughout.

### Structuring the Methodology

I will start by saying that this entire section was spectacularly difficult for me to research, understand and write up. Terms such as ontology, epistemology, research paradigm, conceptual framework, theoretical framework and methodology were infuriatingly difficult to pin down and understand, with commentators making unclear statements, contradicting each other, and conflating various terms. The more I read, however, the more evident it became that many of those who claimed to be able to pronounce with authority on various items actually had a grasp of the topic that could at best be described as tenuous and at worst as misleading or simply plain wrong.

By dint of sheer refusal to give up and admit defeat, an approach which has brought me through many similar challenges in the past, I finally managed, I think, to gain both an understanding of the various terminologies and, further, an appreciation of how they influenced my research. I was determined to get to the bottom of the whole subject; even at an early stage, I grasped that the conceptual framework was not a bolt-on to the research or a 'nice to have' factor – its influence should be felt throughout the project, and fully integrated into it.

I was pleased to observe that self-development was recognised as part of the entry criteria into a professional doctorate programme and embedded in the philosophy and approaches that were available to use. Earlier in my studies, if I was confronted with something that did not make sense, I felt that perhaps I was too stupid to understand it, or that it was too hard for me, and I would have despaired. Now that I have had the benefit of developing both as a researcher and as a professional, it has started to occur to me earlier than before that perhaps it is *what* I am reading that is problematic, rather than my ability to understand it. I am now able to take a more critical stance and 'make a reading' of a text rather than simply reading it. I can 'reflect-while-reading', and instead of concluding that this does not make sense and inferring that I am at fault, I have become more confident in deciding that that this does not make sense because the writer is confused or has expressed themselves badly. At which point, I can then turn to another source, something that dovetails nicely with my firmly held belief, noted earlier, that obstacles are not IN the path, they ARE the path.

I recognise that ordinarily a traditional research student at this level might be expected to be au fait with the terminology of research and confident with both the vocabulary and the meaning. However, a crucial component of the professional doctorate is that students are expert practitioners in their

field rather than experienced academics. Indeed, I am an acknowledged subject matter expert in my field, and the safety and good customer outcomes for DC pension members depends on (amongst other things) my competence. I am familiar with, and can readily explain, such diverse phenomena as anti-franking legislation (on which I wrote a short piece which appeared in an industry magazine and which elicited some entertaining comments); the history of, and philosophy behind, contracting out; and the application of the DC Code to a master trust. That is my field of expertise and one in which I work every day. It is not therefore reasonable to expect me to be as confident with the terminology of research, where I spend but a fraction of the time that I devote to my profession.

One of the first pieces of advice that I read about how best to structure the methodology section was that 'it is helpful to start by setting out the framework in which you plan to operate with reference to the key texts on that approach'. I shall therefore begin by explaining my understanding of the various terminologies, an understanding that has been very hard-won (and all the more valued for being so).

**Ontological perspective** refers to the way in which the researcher views the nature of reality. I have determined that, broadly speaking, there appear to be two opposite (but not necessarily conflicting as they are on a continuum) positions; to simplify these, people can be realists or anti-realists. The former group believes that facts exist outside the human mind while the latter holds that reality is only subjective (Igansi (2014)).

**Epistemology** is a way of defining how the researcher feels that they know things, and what they feel that they know. Morgan, a researcher at the University of Derby, synthesises the work of a number of other authors and determines that epistemology is the study, theory and justification of knowledge, and an examination of 'how we make knowledge'. Under the title of Epistemology, The Basics of Philosophy, a website ([www.philosophybasics.com](http://www.philosophybasics.com)) written by a layman for laymen and with the subtitle of 'a huge subject broken down into manageable chunks' which professional practitioners going research may find as useful as I did.

### Theoretical framework and conceptual framework

This was the area in which I encountered the most confusion, with commentators variously asserting that a conceptual framework should not be confused with a theoretical framework; that while there were differences between the two, these were not important for the social sciences and so they could be used synonymously; and that while there were differences between the two, different commentators had different opinions on what those differences might be.

After a great deal of reading, reflection and drawing of diagrams, I decided upon some definitions that not only did I feel made sense for the purposes of my research, which is a subjective decision, but



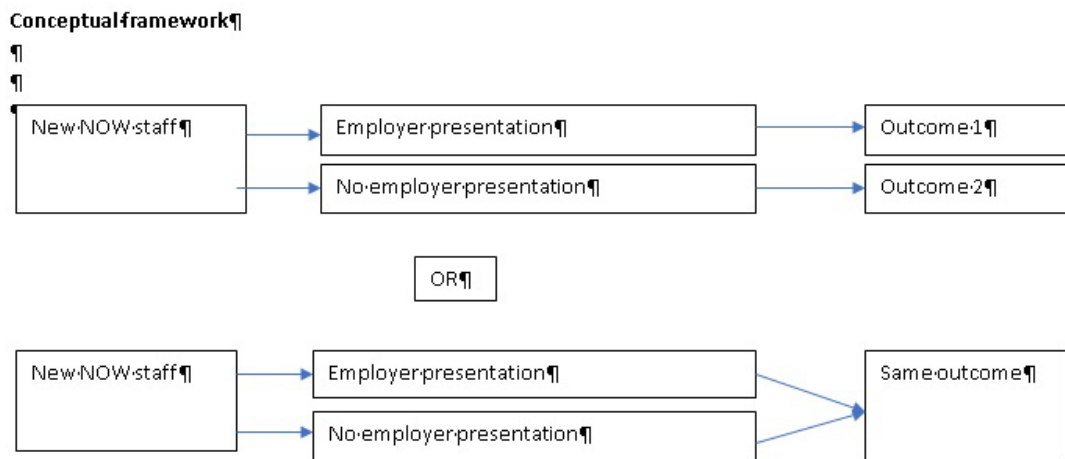
which also met the criterion of practicality. This is, after all, a business-focused piece of research, not one whose outcomes will be confined to ivory-clad towers.

There would appear to be two separate types of theoretical and conceptual framework, with distinct differences between them. Taking the less detailed type first, I eventually discovered that a theoretical framework can be no more than a high-level statement which sets out the basic premise held by the researcher. For this project, the high-level theoretical framework statement is:

When an intervention is carried out, it may have an effect

It became clear that a conceptual framework could now be construed as being the researcher's (i.e., my) idea of how the research problem would need to be explored. Figure 7 shows the conceptual framework for ER2. The conceptual framework is that a presentation by NOW: Pensions to new members of staff may affect their feelings towards their pension savings and retirement in general.

**Figure 7: Conceptual Framework 1**



However, it appeared to me there is another type of framework which is far more detailed. Borgatti (1999) says that a theoretical framework is a collection of inter-related concepts which will guide the research, determining what is to be measured and what statistical relationships will be examined. In contrast, the USC Research Guide explains that the theoretical framework is an explicit statement of theoretical assumptions which allows the reader to evaluate them critically. This source further holds that the theoretical framework should serve a number of other functions, including connecting the researcher to existing knowledge; helping the researcher to make the transition from describing an observed phenomenon to generalising about it; and acting as a delineator of the researcher's generalisations.

As I discussed in Chapter Two, there is no single body of literature which has application to my research project. Rather, there is a number of literature bodies which are contingent on it, and I have explored those to the extent to which they appear to have relevance. I have been unable to locate any previous research which has concentrated on the effect of an employer presentation on an employee's feelings towards pension savings. It therefore seems that although there are many diverse theories which may have contingent relevance, there is no body with sufficient depth to warrant the construction of a whole network of theories as described by the USC Research Guide. At this point, I made the decision that my simple theoretical statement would suffice. Indeed, it was a core guider of the research because when I was designing the experiment, I always kept this theoretical statement in mind to ensure that I did not err into areas that were not strictly relevant to what I was trying to achieve.

Similarly, I came across descriptions of conceptual frameworks which were extremely complex. Miles and Huberman (1994) define a conceptual framework as a visual or written product that 'explains, either graphically or in narrative form, the main things to be studied—the key factors, concepts, or variables—and the presumed relationships among them'. Interestingly, the authors further state that the conceptual framework can also be called the theoretical framework, implying a synonymity which further reading has shown is not necessarily justified.

The context for the above is an experiment in which different researchers obtained remarkably different results (Miles and Huberman (1994)); it transpires that this was because one set had been using a slightly different set of assumptions which had then affected the results. It would appear therefore that one, possibly crucial, point of a conceptual framework is to make the results replicable in order that any further researcher, on acquiring and understanding the conceptual framework, could go on to repeat the experiment and obtain comparable results.

It is very important for the results of any experiment to be replicable and verifiable; however, I reflected on whether a detailed and standalone conceptual framework was necessary for this particular project. Throughout, I have explained my methods and the thinking behind them. I have attached the presentation that was given by the employers, the interview questions and transcriptions, and made the actual interview recordings themselves available. I have explained the background to the issue under investigation and my approach. I therefore did not think that there was much to be added by re-stating my approach under the heading of 'conceptual framework' because that information has already been made available.

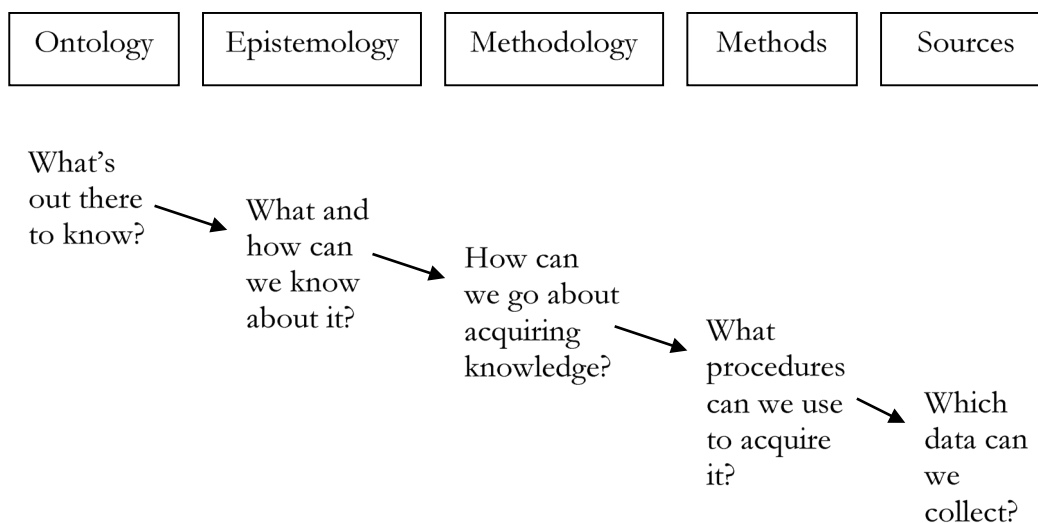
## Research paradigm

A research paradigm is 'the set of common beliefs and agreements shared between scientists about how problems should be understood and addressed' (Kuhn, 1962). The USC Research Guide said that this is same as a conceptual framework. At first, I was not convinced, so I decided to read further. According to Guba (1990), a research paradigm has three characteristic attributes:

- Ontology – What is reality?
- Epistemology – How do you know something?
- Methodology – How do you go about finding it out?

While this is clearly not the same as the high-level conceptual framework shown in Figure 9 (see p104), it has a lot in common with the more detailed conceptual framework described by Miles and Huberman. Having carried out more reading, I am now satisfied that they are one and the same thing. Figure 8 overleaf explains the above terms and the relationship between them:

**Figure 8: Conceptual Framework 2**



Adapted from Hay, 2002, pg. 64

## Theoretical perspective

The USC Research Guide also informed me that the theoretical perspective can be expressed using a theoretical framework, which has already been covered above. Had I not continued to do so much further reading, I might have found the diagram above misleading as it introduces the term 'theoretical perspective' which I originally thought was something entirely different from the theoretical framework. It should be noted that the diagram adds to the potential for confusion by

entirely omitting the conceptual framework. To be fair, it is not perhaps the diagram itself that causes confusion, but rather the many different interpretations of terminology that exist, with different definitions used for the same phenomenon, disagreement on whether phenomena are the same or different, and differing opinions on the degree of separation or overlap of each term.

Yet another definition of methodology, found on the 'Skills you need' website, is that it should describe what the researcher did, together with any refinements that they made as their work progressed. It should have a clear academic justification of all the choices that were made and be linked back to the literature. Using Figure 8, this section should encompass the procedures used to acquire knowledge.

This is in itself confusing because the term 'methodology' appears to be used in two different ways, one of which covers so much more than this. It seems to be to have two meanings, the first being as described above, and the second being the whole end-to-end process as shown in the diagram, from 'ontology' to 'sources'. The procedures that I used to acquire relevant and ultimately practical knowledge are described below.

## Methodology

A thorough reading of the background literature had informed me that three broad approaches should be considered. The first decision I had to make was to choose which would be the optimal method of obtaining data such that the results would be most likely both to answer the research question and also be useable and applicable. The three options are described in detail below.

## Questionnaire

The first option was to use a questionnaire. I have had previous experience of using questionnaires to carry out research when I was studying for a master's level degree, the subject of which was people's responses to errata in reports. I have also made use of questionnaires in real-life, work-based situations at TPAS. These situations included the gathering of customer satisfaction feedback on dispute resolution cases and getting staff feedback on various elements of working conditions when leading the Staff Survey Working Group.

As might be expected, I found that using questionnaires was a very good way to obtain statistical data. It was a relatively simple matter, for example, to find out that 71% of TPAS staff felt that they were able to give input into departmental decisions. However, although these data were interesting and of use in themselves, it was not such a simple matter to carry out a cogent in-depth analysis using the figures alone. If, say, the figure for input had been low, then it might have appeared straightforward to claim that the majority of staff were upset that they could not contribute to decision-making. However, this might have been an unsafe conclusion. As it happened, at the time that the research

was conducted, TPAS was employing a relatively high number of staff already at or over state pension age. They were working at TPAS, sometimes on a part-time basis, for a range of reasons: to supplement their pension; to enjoy the camaraderie of work; or simply to feel that they were putting their long years of experience in the industry to good use, having finished their 'main' career.

It was therefore entirely possible (although never proven) that this cohort of people was more than happy NOT to have any input in departmental decision-making. Having had long careers in the pensions industry, often at a senior level, their preference might now have been merely to come to work and to do their job to the best of their (considerable) ability but with the minimum amount of pressure and stress, and then to go home. They might therefore have been thankful that their days of having to participate in interdepartmental politics were now behind them.

What this implies is that without a follow-up question on the questionnaire that asked, say, staff to specify not just whether they felt happy with their perceived level of input into departmental decision-making but also why they felt that way, it would have been incorrect to have inferred from the data alone whether there was an issue with staff dissatisfaction. A figure of 71% could simultaneously denote that most staff felt that they had an input and were happy with the situation, or that they felt they lacked any input but that they were still happy with the situation because of their own status.

One way round this problem might have been to include a box in which respondents could specify whether they were happy with the situation, and why, but my experience showed that respondents tended to skip through the questionnaire making as little effort as possible, and that any 'free text' boxes were generally left blank. In passing, when they were completed, the comments they contained were often both unexpected and interesting. However, there is also a potential bias here in that the kind of people who fill in 'free text' boxes tend to be the kind of people who feel that they have something to say, and also the time to say it and, quite often, a lack of any fear as to what the consequences might be. It was apparent that uncovering what all staff felt about the level or lack of input to decision-making would require more than simply getting them to tick boxes.

What I was researching here, in contrast, was a focused attempt to uncover how staff members FEEL about pension saving. With such a qualitative question, and given my TPAS experience, it seemed inappropriate to use a methodology that is primarily aimed at producing quantitative results. If respondents were asked via a questionnaire how they FEEL about pension saving and were then presented with a list of pre-chosen responses, this would have the effect, however long the list were made, of constraining their choice. Furthermore, even if also presented with a supplementary 'free text' box, they might then decide that any response they gave would need to be of the same type as

those put forward as pre-chosen responses. And if presented with no list but merely a 'free text' box alone, my experience has shown that without any guidance as to what is expected of them, respondents are inclined to leave the box blank.

The one advantage of a questionnaire that cannot be denied is that it can reach many people in a short period of time and gather a great deal of data. The major disadvantage as far as this research is concerned is that it might have been extremely hard to obtain data which were relevant to, and helpful for, answering the research question. It would also have been pointless to gather masses of data which could not be safely or meaningfully interpreted. I therefore discounted the questionnaire as a research tool for this project.

### The focus group

The second option that I considered was the use of focus groups. Again, I have had previous experience of using focus groups when I was part of a DWP working group investigating the extent to which literature on fundamental changes to the state pension is understood by the general public.

A series of focus groups was held, and the results analysed. While the groups generated an interesting spread of data, one major drawback was that it was not possible to say whether the same data would have been generated had each of the participants been interviewed individually. Group dynamics can have a strong influence on the workings of a focus group, and a group might be dominated by one or two individuals with strongly held opinions and forceful personalities, with the effect that other members find it difficult to voice conflicting opinions. Another disadvantage can occur when the majority of the group appears to hold a certain opinion, which can make it arduous for those in the minority to speak up, especially if those counter-opinions are harder to put across in the kind of snappy format that group discussions often demand.

This research project is focused on people's feelings towards pension saving, a subject that is inextricably linked with people's personal finances. This is a sensitive topic, and one of the final taboos. In a group setting, there will very likely be an issue with many, if not all, of the participants not wanting others to know even the most general details about their financial situation. Since the research subjects were going to be taken from the employees of one company (NOW: Pensions), there was the additional problem that participants would most likely know each other, even if only tenuously. Not only would this bring in issues of confidentiality but might create further group dynamics in that there would inevitably be a hierarchy of seniority in any group. It was likely that senior members of staff would not want junior members to be aware of their financial situation. Meanwhile, more junior members might not want senior management to know, for example, that they were planning to take

a year off to go travelling, or that they were not planning on staying with NOW: Pensions for the duration of their career.

Such issues might have meant that some participants would feel obliged to constrain their answers, for reasons related to privacy or group dynamics. One way round these problems might have been to structure focus groups such that they included people of generally similar status. However, not only would this have been very difficult, it would also have lost one of the advantages of a focus group which is the interaction of group members with differing views.

It was also necessary to take into account practical considerations. Work-based focus groups would have required that a body of, say, ten people was all available at the same time. For reasons of work efficiency, this would not have been practical, especially if that group involved staff across different locations. I deemed successfully persuading staff to agree to the alternative of holding the meetings outside working hours so unlikely that I ruled it out as a possible solution.

Ignoring all these caveats, the major advantage of focus groups is that they allow opinions to be gathered from many people at the same time, thus presenting a time-efficient solution for the researcher. On the other hand, the transcription and analysis processes would have been extremely time-consuming and complex as there would have been many conversational strands to untangle, with issues relating to overlap as people responded not just to what had been said immediately beforehand but also to something that had been said a few minutes earlier and about which they had had further thoughts. This potential transcription nightmare, together with the problems posed by group dynamics and confidentiality, led me to conclude, reluctantly, that focus groups would not be an appropriate tool for this specific research project as the almost certain disadvantages outweighed any potential advantages.

## Interviews

The third option that I considered was to use interviews as a means of collecting data. This is another area where I had prior experience, having carried out interviews for a variety of purposes. A previous role as a compliance auditor had required me to interview staff to find out what they actually did in their jobs (as opposed to what they were supposed to do, or what their managers might think they did), and the extent to which they adhered to agreed policies and procedures when they did it. I have also interviewed potential candidates for employment roles at various companies and thus have reasonable familiarity with the process.

As with the two other methods described above, however, the interview has its disadvantages. The 'interviewer effect' can have considerable sway. Newton (2010), among others, reports that the

interviewer's characteristics including, but not limited to, age, gender, physical appearance and assumed status, can have a major effect on the amount of information which interviewees are willing to reveal, and with how much honesty they will do so. My role then was Head of Risk and Governance at NOW: Pensions, a senior position. There was a possibility, which could have been high, that some members of staff might have felt inhibited from speaking to me with total honesty. On balance, I considered that these inhibitions could be offset provided that I gave careful thought and preparation to the interview process with the aim of ensuring, as far as possible, that the interviewees were relaxed. Indeed, Newton stresses that the skills of the interviewer are crucial to the success and validity of an interview.

There are a number of different types of interview, all of which I weighed up in turn. The traditional interview is usually either one interviewee faced by one interviewer – the type common on serious talk shows, for example – or one interviewee faced by two or more interviewers, most commonly found in job interviews. There is seldom more than one interviewee though this is not immutable – for example street vox-pop interviews on TV – so I investigated the possibility of carrying out duo interviews where two people are interviewed at the same time. This method would appear to save time because two sets of data could be gathered simultaneously. One further advantage is that the dynamic between the interviewees might elicit extra information that might not have occurred to either if they had been interviewed separately.

However, the disadvantages were the same as with the focus group, relating to confidentiality, hierarchy and not wanting to lose face in front of the other person. Again, the transcription process would be more difficult due to issues of overlap and ensuring correct attribution. I therefore discounted the duo interview as a data gathering method.

### **One-on-one interviews**

By the process of elimination described above, I had worked my way down to the one-on-one interview which I therefore selected as the most appropriate methodology. However, even within this method, there are still three broadly different types of interview: structured; unstructured; and semi-structured.

### **Structured interview**

A structured interview is, as its name implies, carried out in a carefully controlled manner. In many ways, it is very similar to a questionnaire in that respondents are only allowed to give responses within a restricted range. The advantages are ease and speed; the major disadvantage is that using such an approach would most likely produce similar results to previous quantitative research. The intention of



this research has always been to discern people's FEELINGS rather than to obtain yet more statistical information (though any such data generated have been useful). I therefore discounted the structured interview, primarily on the grounds that it was not an approach that would allow for unexpected responses.

### Unstructured interview

The next approach that I considered was the unstructured, or so-called 'discovery' interview. This style of interview is more like a guided conversation than a straightforward interview and can either be entirely unscripted or formatted in such a way that the interviewer incorporates a few key questions as and when they think fit.

The major advantage of the unstructured interview is that its relatively informal nature can allow participants to relax and respond honestly. The format also encourages spontaneity, and the interviewee may introduce elements into the conversation which the interviewer had not previously considered. These new elements might open up an interesting line of investigation, allowing the research to develop into an entirely different area.

The disadvantage of this approach, however, is that it could be extremely difficult to draw any focused conclusions from such a potentially wide-ranging mass of responses. The objective of the interviewing process, after all, was to gather sufficient relevant information to make a valid and practical research-backed attempt at answering the research question, which is how people FEEL about pension saving. At the very least, some core questions would need to be asked in order to obtain useful, pertinent and consistent information. To meet these criteria would mean shifting the type of interview that was required to the very boundaries of the unstructured interview spectrum.

The core objective of the research was to uncover the extent to which an employer intervention might have affected employees' feelings towards their pension savings. One implication of this was that I would need to be able to compare findings between people who had had, or who had not had, such an employer intervention. This in turn meant that there had to be compatibility of the data gathered within both the no-intervention and the post-intervention interviews, otherwise it would not have been possible to make valid comparisons.

It would have been hard, if not impossible, to have ensured commonality between data gathered from the unstructured interview as this technique allows, indeed, encourages, interviewees to ramble. However hard I might strive to keep things on course, there could be no guarantee that the same ground would be covered to a significant degree at each interview to allow comparability unless some

measure of uniformity or structure were to be imposed. By a process of elimination, therefore, I had arrived at a point where the unstructured interview had been transformed into a semi-structured one.

### **Semi-structured interviews**

I therefore selected the semi-structured interview, which is one where the interviewer asks, but is not restricted to, a set of pre-determined questions but which also allows the interviewee to range widely in their responses. This appeared to me to be the most appropriate method of ascertaining what an employee felt about pensions savings whether they had been given an employer intervention, in the form of a presentation on the subject, or not. This would enable a comparison of the effect, or otherwise, of such an intervention and seemed to me to be an acceptable compromise between the fully structured interview, which would allow no deviation from a set list of questions and which would allow no spontaneity from respondents, and the unstructured interview which does not lend itself to the reliability criteria expected in the scientific world (but which has other reliability indicators).

I realised that even the selected method would not be without its disadvantages, as described above, and so I made every attempt to ameliorate them as far as possible. These efforts will be described in the following section. Stage 2 of this research project concentrates on the extent to which employer-led interventions can affect engagement, and the duration of this effect.

In choosing a research design I focused on what would influence my choice: my own positioning; the locus where the research would take place; knowledge already in the public domain; accessibility; feasibility; audience; intended impact and outcomes from Stage 1.

In addition, I wanted to improve not only my knowledge but my own practice. I wanted to know more about how I arrive at choices and decisions at work and what motivates me to want to change things and how I go about that keeping in mind both professional and research integrity.

### **Action Research**

The research reading which I enjoyed most, and which made most sense to me, was Action Research (AR) and its various versions including Action Learning and First Person Action Research which motivated me to be transparent about my struggles. I would strongly recommend AR to professional practitioners who feel that they are reasonably secure in their employment for at least three years (necessary in order to be able to carry out the cycles), and who want to bring about change through collaboration with their organisation and the participation of their team members. I did not use AR in the end, so further details have been included as Appendix 12.

It was only after feeling I had sorted out the jigsaw of language and concepts for myself that I could proceed with selecting the data gathering methods that would help me achieve my purpose and aims. In brief, what I now had to do was as follows:

1. Read more about why people might not even open their pension statements, let alone engage with them, and not rely on accepted wisdom that it was purely to do with communication language or medium
2. Explore for myself the validity of these beliefs through
  1. Exploring the literature to find other potential factors
  2. Undertaking ER 1 questionnaire on language style
  3. Undertaking ER 2 interviews on presentation style
3. Analyse and triangulate the data from these three sources to provide reliable evidence for recommendations

I hope that new researchers from work sectors external to the university will find what I have written useful as they navigate their way through research methodologies and methods. I would stress that you should seek out good supervision from the outset, use it regularly and do not let yourself become separated from the university by the demands of your work environments. If a community of doctoral students is not available in your university, then try to establish one through your other networks where you may be surprised to find that there are more professionals embarking on doctorates than you might have expected. If you are coming from a business environment rather than an academic one, it is very easy to feel like an outsider; the only way to combat this is to immerse yourself in the academic world as fully as possible, and to take active advantage of all seminars or other opportunities to get involved with what the university may offer.

## Chapter 5: Coding and Analysis

I transcribed and coded the interviews, and then analysed both the coding spreadsheet and the transcripts themselves. My aims were to answer the research question and see whether I could glean any corollary insights.

The transcription process provided a series of challenges. To start with, there was the sheer amount of time that it took. Secondly, there was the issue of not always being able to hear exactly what had been said. My hearing is extremely good, but some interviewees were very softly spoken or spoke quickly and unlike in fiction, in the real world, people do not speak in well-formulated and nicely punctuated sentences. They hem and they haw, which adds to the difficulties of producing a genuinely verbatim transcript. In addition, two interviewees' first language was not English, so it was not always easy to make out what they had said.

There was also the physical challenge of writing down exactly what had been said. I discovered that researchers who are faced with a great deal of transcribing tend to purchase specialist equipment, such as a foot pedal to stop and restart the recording. Others use transcribing software which can translate an audio file into text. I discounted the first option as there was no clear consensus on which equipment was good and which was not, and it all looked rather involved, in any case. And I discounted the software solution partly because of the expense, partly because it did not appear to be 100% accurate, but mostly because I had read from a number of commentators that the act of transcribing was itself an interpretation, and I felt that I wanted to get closer to my raw data rather than treating the whole transcription process as a nuisance to be polished off as quickly as possible.

I experimented with different methods. By transcribing after every interview or two, I was able to make adjustments. For example, having struggled with poor quality audio early on, for succeeding interviews I made sure that the laptop was much nearer to the interviewee. Where I was still struggling to hear, I found that the use of headphones sometimes helped. To start with, I used two laptops – one to play back the recording and the other to have a Word document on it. I eventually worked out how to have a split screen so that I could play the recording on one half with the Word document open on the other half, which considerably speeded up the process.

There was a number of decisions that I had to make regarding what to transcribe, and I read as widely as possible to get a feel for the amount and type of detail that I should record. Transcriptions ranged from the super-detailed, where gestures and expressions are recorded and pauses timed, to the straightforward relaying of what was actually said.

I reflected on the purpose of the interview. I wanted to ascertain how people felt about pension savings with a view to finding out whether an employee presentation had any effect on this. As described in the literature review, I had investigated discourse analysis and critical discourse analysis, in which discourse is examined in minute detail, and I had decided that this approach was not really a good fit for my purpose. What I wanted were real-world answers to real-world questions, and so I was more interested in the material substance of what people said and less interested in the exact degree of inflection with which they said it.

Necessarily, this approach meant that I would risk losing some of the depth of data. Suppose that I had asked interviewees if they liked working at NOW: Pensions and that one had replied, in an enthusiastic tone of voice, 'yes, I LOVE working at NOW: Pensions'. I could then have asked a second person the same question and while they might have used exactly the same words, they might have said them in a sarcastic tone of voice, accompanying them with an eye roll, indicating that they were being sarcastic and that they meant the precise opposite of what they had just said. A flat transcription of exactly what had been said would lose this nuance. (To make things clear, I did not ask this question.)

I was always aware that the research project was being carried out to answer a very specific research question and to make a valid contribution to practice, and it seemed unnecessary to go very far beyond writing down what was actually said. I read several transcripts which had recorded gestures, the length of pauses, overlaps in speech, or whether the interviewee was looking at the camera or away from it, and concluded that these transcripts were extremely complex and detailed, fit for a level of analysis that I was not intending to carry out.

I decided that the issue of overlap, which was dealt with variously by different transcribers, was less likely to occur in my interviews as I was asking the questions and the interviewee was answering them. Overlap was less likely to occur, therefore, than it might have done in an unstructured interview which was more like a general chat.

As an experiment, I tried transcribing the interviews in a similar way to a play, with my initials and what I said, then the initials of my interviewee and what they said. I run a writers' group and I am aware that there is a difference between how people actually speak and the stylised version of natural speech which imitates it but is an affectation. In real life, people have verbal tics such as 'kind of like' and their speech is peppered with 'erms' and similar.

As I was not trying to write a play, I decided to use only two renderings of verbalised pauses, 'erm' and 'err', whichever seemed phonetically more appropriate. I could have spent a great deal of time

determining the exact rendition for each interviewee's different pausal utterance; I reflected that time spent in this way would add little to the answering of the research question.

I noticed that a number of researchers timed pauses; I decided that I would not record pauses unless they were 'long'. While it is difficult to quantify what constitutes a long pause (which could indicate reflection, finding the right words to express feelings or having to think about something that has never really been considered before) without actually measuring it, I decided that it was one which was long enough to represent a notable break in discourse, and I rendered it as <long pause>. I also transcribed laughter as <laughs> or <both laugh>. I was not entirely clear what I would do with this information (in the event, it was 'nothing'), but at the time when I started transcribing, I had read a lot of extremely detailed transcriptions and felt that I would be somehow losing depth if I did not record laughter. It seemed more expeditious to record a datum that might not be needed than *not* to record it and have to trawl through all twenty interviews in order to capture it if I decided at a later date that laughter – or the absence of it - was important to the research question.

By and large, this transcribing method was viable because turn-taking was generally ordered, with me asking a question and the interviewee responding. Overlaps only tended to occur where, for example, the interviewee was struggling to answer a question and I offered some clarification while they were still trying to answer. I have rendered the turn-taking as accurately as I could, bearing in mind that I was interested in the substance of what was said and was not in the least bit interested in exploring, for example, any power issues between interviewer and interviewee, which would have demanded more focus on turn-taking, interruptions, inflection and pauses.

Where what was said was unclear, I always played it back as many times as was necessary to get a good and accurate transcription. This was not always successful. There was a balance to be struck between time spent and accuracy, but it was a matter of good practice to me to listen to the recording as many times as I had to. It took discipline to adhere to this; transcribing is neither quick nor easy, and it was always tempting to do a reasonable job rather than the best that could be done. Time is very precious when one is working full-time in a demanding role. I can honestly say that I never skated over any utterances and that I listened to the recording if unclear until I genuinely felt that I could not improve on what I had written. Only when I absolutely could not determine what was being said, not even with headphones and with the volume fully turned up, did I resort to <unclear>. Where a statement was genuinely inaudible, I felt that it was more honest to write <unclear> than to guess at what the interviewee had said. Any guesswork would have made the analysis less valid. Fortunately, from the context, it does not appear that anything inaudible was also crucial. However, the original

recordings are available, so it would be possible for an interested party to check the transcriptions for accuracy against the recording.

The coding process was an important act of interpretation. As I had no prior experience of this, I read widely to find the approaches adopted by other researchers.

I started coding after I had completed the first four interviews. One commentator recommended creating a wide right-hand margin by confining the text to the left half of the page and then double-spacing it, to allow written comments on the right-hand side of the page. I adopted this approach. I then gathered that the correct procedure was first to write the essence of what I thought each interviewee was getting at and then, once I had finished doing this, to assign a code to each different utterance.

Coming from an English literature background, it was my natural inclination to try to find a code for every line spoken by the interviewee. I found it very difficult to decide what was the essence of each utterance. This was probably the most confusing part of the whole exercise. I read and re-read various texts which explained how to code and although I felt that what I was doing was not correct, at the same time I could not determine what I ought to do in order to improve my performance.

Holton (2008) points out that the act of beginning to code is a test of the researcher's ability to trust in herself, her chosen method, and her skill to use the process to generate codes and find relevance. It would have been helpful at this juncture to have realised that I was unconsciously following a grounded theory approach; I could then have researched grounded theory in more detail and would have been reassured that this part of the process does require a leap of faith. I might not then have been so discomfited by the fact that I was finding it daunting.

Having coded the first four interviews, I paused to reflect on what I had done and took the opportunity to re-read and reconsider all the texts which I had previously consulted when trying to understand the coding procedure. Having now had some practice at coding, I was better able to relate my readings to what I was doing and to gain a deeper understanding of the process. I was also able to compare the various suggested approaches with what I had done. I concluded that my instincts were right and that the coding of the first four interviews could be improved upon. While this was disappointing as coding is neither quick, nor easy, nor effortless, it was obviously crucial to get it right from the outset or else I would be running the risk that any analysis carried out on the basis of the coding might not be sound.

I was now better able to understand the concept of a 'meaning unit'. At the outset, I had not been able to grasp this at all and had tried to assign codes to every utterance. I now appreciated that a meaning unit could be as short as a few words or as long as a page – or even longer. I was also

reassured by an assertion in an article on qualitative coding and analysis (Research Rundowns) not to be alarmed that the coding was taking a long time and was hard work. It *should* take a great deal of time and effort because the act of coding is generating the data to be analysed, so it is the core of the research project. Instead of being surprised at the time and effort involved, I was reassured that it was effortful because the core of a research project should not be able to be dashed off in a few minutes.

Now that I understood the concept of a meaning unit, I revisited my coding of the first interview and re-coded it using a different coloured pen. For my first pass-through, I had written a summary of a few words in the margin and then afterwards assigned a code. Now I worked out the essence of what the interviewee was saying and the point that they were making, and assigned a code. It also struck me that my coding spreadsheet was not quite as it should be. Mindful of my research question, I began to appreciate that the responses needed to be angled towards the research question. I started the coding spreadsheet again, then worked through the other three interview transcriptions again with more confidence. This time when I reviewed what I had done, I felt that I was capturing the essence of the interviews and that I was finally understanding the process. Only then did I move on to code the other interviews.

Having coded all twenty interviews (see Appendix 7 for a sample of my coding), I was now in a position to review my coding spreadsheet. I used an approach suggested by Wargo (2013) so that for every instance of a comment, I had a reference for which interview it had occurred in, and on which line, so that it would be quick and easy to refer to the transcripts should I need to do so. I also took time to reflect on the codes; looking at the spreadsheet in isolation, it was easier to identify where codes could be amalgamated and then to make the necessary adjustments to the coding on the transcripts.

I wanted to be absolutely certain that my coding was consistent so that the later analysis would be based (to the extent that this is possible) on correctly interpreted information, and so once I had finished transcribing all the interviews, I revisited the first four. Several months had elapsed since I had recoded these interviews, and so I thought it might be worthwhile revisiting them. I worked through all four again and actually found very little to change which reassured me that my coding had been consistent.

I had read a paper on replicability by Campbell et al (2013) where the author and researcher had taken great pains to ensure that he and his co-researcher were coding in exactly the same way. The author refers to a process in which he and his co-researcher coded interviews independently and then compared results, each arguing their case until consensus was achieved. In an ideal world, maybe I would have taken this approach and found a coding partner, but this would have been problematic.



The co-coder would have needed to be a pensions professional with a similar level of pensions knowledge and experience as myself. I did experiment using a co-coder with very limited pensions experience and found that coding differences were often down to their failure to appreciate that sometimes ordinary words and phrases have very specific and technical meanings in the pensions' environment.

Not having an abundance of resource, my second coder re-coded all the interviews and we then discussed differences briefly rather than entering into protracted debate. The differences between the codings were small, and for the most part explained by the second coder not being au fait with technical pensions terminology

Coding is (and, indeed, should be) labour-intensive and time-consuming. It was hard enough for me to find the time to code the interviews correctly; it would have been unrealistic to expect another pensions professional to spare enough time to code twenty interviews for a project in which they had no vested interest. The idea of replicability was very appealing, and I felt that it was an important component of the validity of the research; however, it was not practicable to pursue it any further, so I reluctantly dropped it.

The coding and interviewing processes overlapped considerably; this turned out to be helpful as one fed into the other inasmuch as, when carrying out interviews, I had my coding spreadsheet in mind which helped me not to veer off topic with interviewees. Where there was a danger of straying into non-relevant territory, the thought that I had was, 'how am I going to code this?' and this prevented me from beginning too many discussions which might result in a new code or, even worse, which would have to be coded under the dreaded '003 – general chat' code.

## Chapter 6: Results and Findings

### Introduction

This chapter will begin by summarising the results and the findings from the interviewees who had been given a presentation as part of their induction process (Set 1). The results and findings from Set 2, the people who did not receive a presentation, will then be similarly summarised, and the two sets compared. Full details of the results can be found in Tables 1-7 in Appendix 9. The final part of this chapter will summarise the NOW: Pensions presentation.

No conclusions will be drawn in this chapter regarding the results and findings, or the impact of the presentation. All such conclusions will appear in Chapters 7 and 8. Proposals for the content and value of any future presentation will also be formulated in Chapter 8.

### Employee sample

The overall sample was random but mixed both by gender (thirteen women, seven men) and by age (eight under 30, ten between the ages of 30 and 50, two over 50). Although not deliberate, being the result of, among other factors, availability of staff, this emphasis on relatively younger people turned out to be helpful, since it is not unreasonable to assume that the older a person is, the more likely they are either to have sorted out, or given up on, their retirement.

My original intention was to match employees who had not attended the presentation with those who had, by age bracket, gender and seniority. This proved not to be possible. As already mentioned, presentations had not been run in a controlled manner. Staff who joined when the company was relatively young were not given the opportunity to attend a presentation, and staff working predominantly in London were less likely to have been given the opportunity to attend a presentation than staff working in Nottingham. Furthermore, the presentation had recently been suspended pending review. The high level of staff turnover and the use of contract staff added to the difficulty of building a more balanced sample. It was not therefore possible to recruit interviewees in a coherent manner. This was disappointing because I had read about the matching of groups and understood its importance in ensuring that the results of an experiment could be attributed with greater confidence to the effect of an intervention rather than to other potential differences across groups.

Instead of being able to select interviewees using stratified sampling techniques, I had to make do with those who were willing and available to speak to me. This could be construed as a form of self-selection, with people who were not embarrassed about their lack of pension preparation and awareness being more willing to speak to me. Indeed, several interviewees were ready to admit that

they knew that they had not made adequate preparations, but obviously it is impossible to determine the motivations of those who declined the opportunity to be interviewed.

### A brief note on the use of quotations

All quotations have been sourced as directly as possible from the transcriptions where they can be viewed. On a few occasions, I have adjusted the syntax where a respondent has stumbled over their words and repeated themselves. Once or twice, I have conflated two statements from the same interview in the interests of brevity and lucidity. I have striven never to impose my own interpretation on what someone might have been intending to say.

## Summary analysis of Set 1: respondents who had received a presentation

### Data Tables: Set 1

The following seven tables give the detailed results for Set 1 respondents (those who had received a presentation). The data in the tables have been listed in order of relative importance and where a statement was not mentioned, it has been omitted. Note that the orders are different between Set 1 and Set 2 (respondents who did not receive a presentation). A comparison between the two sets appears in Data Tables: Comparison between Set 1 and Set 2.

**Table 1: Total mentions**

	<b>Set 1</b>
<b>Paying for retirement</b>	12.6
<b>Planning for retirement</b>	5.9
<b>Information</b>	5.7
<b>Retirement plans</b>	4.7
<b>Retirement age</b>	3.4
<b>SRP/external/SR age</b>	1.1
<b>Total</b>	33.4

**Table 2: Paying for retirement: %age mentioning by set**

<b>Statement</b>	<b>Set 1</b>
<b>feels scared/anxious/daunted</b>	71%
<b>does best to save/keep to a budget</b>	57%
<b>prefers non-pension assets</b>	43%
<b>checks annual statement</b>	43%

young people have conflicting priorities	43%
has tried to track down pots	29%
uses modellers/does detailed calculations	14%

**Table 3: Planning for retirement**

Statement	Set 1
doesn't work through figures/think about much	57%
carries out end-of-year (family) review	14%
has sought figures for pensions	14%

**Table 4: Information**

Statement	Set 1
simpler/clearer/standardised/more accessible	71%
information on all pensions to be available in one place	57%
too complex	29%

**Table 5: Retirement plans**

Statement	Set 1
no definite plans/too far ahead	71%
wants to travel	57%

**Table 6: Retirement age**

Statement	Set 1
more than 60/65 is realistic	57%
70/75 is realistic	57%

<b>Gap between desired retirement age and realistic</b>	43%
<b>wants to retire at 55/60</b>	29%

**Table 7: Other factors**

<b>Statement</b>	<b>Set 1</b>
<b>SRP will be insufficient/there won't be one</b>	43%

Over a period of six months between September 2017 and March 2018, I carried out, in total, twenty semi-structured interviews with employees of NOW: Pensions. Of the twenty people interviewed, seven (Set 1) had received a presentation from NOW: Pensions on certain aspects of pensions, and the potential benefits from saving for one, as part of their induction. It is the results and findings from these interviews that will now be summarised.

It should be noted that the background to the interviews was the same for all respondents. From the outset, I made it as clear as I could to all interviewees that there were no right or wrong answers to any of the questions that I was going to ask them. To ensure that this information was always imparted in a consistent manner, I designed a formal introduction to which I adhered rigidly for every interview (I also did the same throughout the interviews despite frequent temptations not to when interviewees started to wander down by-ways where it was hard for me not to say, "I know exactly what you mean!"). In this preamble, I stated that I was carrying out the interviews not in my role as Head of Risk and Governance but as a DBA student (as I was pursuing that study programme at the time) and that the interviewee should respond accordingly. As far as I could determine, this approach was successful. Certainly, the transcripts of the interviews do not suggest that those being interviewed were responding in any way other than naturally.

I also asked unscripted questions which I have categorised either as probing/clarifying or leading. Generally, there were three types of occasion when I felt the need to ask such a question:

- when the interviewee appeared to be uncertain as to the meaning of the question ("or have you not thought that far ahead?" regarding a retirement age, for example)
- where they seemed to have misunderstood the question ("but have you got any plans, like travelling the world?")

- where I myself was uncertain either as to what the interviewee really meant or where I wanted to ensure that I had fully understood their response (“so, more simple information?” after a somewhat long-winded answer, for example).

I asked just over eight probing/clarifying questions per Set 1 interview, with one outlier where twenty such interventions were needed. There was little need for me to ask directly leading questions of this group: just two, in fact, the first about priorities, and the second about how worried someone was. In both cases, these were closer to probing than leading questions, and I only asked them when an interviewee appeared to be confused as to the meaning of the original question.

As might be expected - and what I had been hoping for - responses during these interviews ranged widely, from **hopeful to gloomy, though there was little bleak negativity**. Some people were **very certain about their plans while others appeared to have barely thought about the subject**. Because of this wide range, therefore, and in order to make a meaningful analysis, I placed these responses into **eight broad categories**. Three of these categories were small and elicited few responses: the other five were larger and I therefore found it necessary to further divide them, usually into three sub-categories though occasionally more, to reflect the fact that a respondent's answer could be seen as broadly positive, broadly negative, or lying somewhere in between.

Five topics - **retirement age; retirement plans; paying for retirement; planning for retirement; and information** – were raised by every respondent. Three topics - **State Retirement age; external factors (broadly, the Government, Brexit, and stock market crash); and State Retirement Pension** – were raised with much less frequency.

**The stand-out concern**, accounting for over 40% of the total number of responses, is **how people feel that they are going to pay for their retirement**. This front-runner was **followed distantly by planning for retirement, and the ease, or otherwise, of obtaining information on the whole subject of pensions**.

Within the five major categories, as might be expected, there was not just a wide range of responses, there was also a **wide range of emotion, running from the cautiously positive to the negative** (though again there was no bleak negativity). The following five sections will summarise these five categories in the order in which they were most usually raised during the interviews. A sixth and final section will briefly consider the three less mentioned areas.

## Retirement age

Two of the seven interviewees said that they would like to retire between the ages of 55 and 60: four said that they would like to do so between 60 and 65; four accepted that between 70 and 75 is realistic; three would not mind working “for as long as possible”. The astute reader will have worked out that adding up these replies gives a total of thirteen – from seven respondents. Indeed, a feature of this question was the ambivalence that it raised with the majority of respondents recognising that there was a gap between what they aspired to and what reality would most likely bring about, with three interviewees effectively saying as much.

Their comments reflect this ambivalence:

“I’ve got an age when I’d like to retire, and I’ve got an age when I think I will end up retiring”  
(interview 4, F, 30-50)

“wishful thinking. I’d like to retire before my actual retirement age” (interview 9, F, under 30)

“to do that, we will have to put in quite a bit to our pension pots for it to be worth anything”  
(interview 12, F, 30-50).

I pressed the respondent who had said that it was “wishful thinking” that she would like to be retired before she reaches sixty with a reminder that this would be well under the state retirement age. She did not waver in her aim, however, if anything, becoming more steadfast:

“I think so, because at the moment every month, I’m saving to the National Insurance towards my state pension, and I’m contributing in NOW: Pensions’ fund, and I’m thinking of opening a lifetime ISA” (interview 9, F, under 30).

There is a danger that, when attempting any summary of thirteen interviews, which in total made forty references to their preferred retirement age, the detail will be lost. However, on this occasion, I again feel confident enough to say that not only do people in Set 1 generally have a realistic view of when they will be able to retire but, furthermore, that this view is independent of the age at which they would truly like to retire. The tone of the interviewees’ voices cannot be conveyed through mere print but, once again, the data do not lie.

## Plans for retirement

On the subject of making plans for retirement, there was a split between the two interviewees who claimed that they had indeed made plans and the five who claimed that they had not. However, three



of the five who claimed not to have made any plans – all of them under thirty - nevertheless expressed a desire to travel, a higher share than among those who said that they had made concrete plans.

Age would appear to be a major factor here: younger respondents were very much less likely to have made plans (four of the five were in the youngest age group), on the not always unreasonable grounds that retirement was too far in the future for them to have thought about it seriously, as their comments show.

“Too far ahead (to visualise)” (interview 8, F, under 30)

“I still think I’m pretty young, that’s why I don’t really think this far ahead” (interview 9, F, under 30)

“I haven’t really thought about it. Erm, just a chilled life, I think” (interview 10, F, under 30)

“I haven’t thought that far ahead” (interview 12, F, 30-50)

“at the moment, I’m kind of just, you know, taking every day by day” (interview 15, F, under 30).

With only two respondents, both of them in the 30-50 age group, claiming to have made plans, it would be risky to over-analyse their responses. However, it is worth noting that both of them said that their attitude had changed with time:

“I know quite a few people who are younger, they think it (saving for a pension) is not necessary for their age. But for me, as I’ve gotten older, as I am 41, it’s a no-brainer” (interview 1, M, 30-50)

“it’s beginning to panic me as I get older. Over the years, I’ve thought about it enough to save and do things outside of what your employer does for you” (interview 4, F, 30-50).

There was also a sense of being conflicted:

“I’m actually not looking forward to retiring” said one respondent, adding that, “even when I retire, the way the world is, you can’t actually retire” (interview 1, M, 30-50)

Meanwhile, the other person who claimed to have made plans said,

“retirement is a massive appeal to me while it’s a worry about some parts” (interview 4, F, 30-50)

None of the younger respondents had made plans for retirement and because none of this set of respondents fell into the over-50 age group, it is not possible to present findings that would show whether the plans of older people would still remain amorphous after they had been given the employer presentation.

### Paying for retirement

It was little surprise that the issue that received the most mentions – an average of over thirteen per interviewee, with a high of twenty - is how respondents hope to fund their retirement. And as with making plans, it was little surprise to learn that respondents demonstrated inconsistency in their responses, contradicting themselves frequently.

There were, in total, 88 different mentions, a figure that is too high, and the range of mentions too diverse, to deal with and analyse individually. The mentions have therefore been sub-divided into around forty groupings and then further split into three broad groupings. At a top level, I summarised them as Confident; Planning; and Worried. The number of mentions per grouping varied considerably, with Planning (47%) receiving the highest share though it was not that far ahead of Worried (40%). Despite the young age profile of this group – five under the age of 30 - Confident received a low 14% share.

These shares varied considerably across interviewees with the least concerned respondent, for example, making confident comments 29% of the time and the most worried not at all. (There were two people in this group, while a third showed just a 5% confidence share.) Only three respondents felt that they were saving correctly or enough, though three others were doing their best to save or, at least, budget sensibly

“now I am. Ten years ago, not a prayer” (interview 1, M, 30-50)

“I’m actually doing right now at NOW: Pensions a lot more than I actually put towards my pension” (interview 9, F, under 30)

The usual reason why a respondent felt that they weren’t saving enough was that they had more urgent financial demands - primarily, house- and mortgage-related – which prevented them from saving as much as they would like to:

“I pay off my mortgage or my immediate sort of financial commitments... If there were more tax benefits, you’d be far more inclined to save more, because obviously it would cost you less, and you’d get more in return” (interview 4, F, 30-50)

“at the moment, I’m trying to save for a deposit on a mortgage and then once I’ve done that, it will then be saving for later in life” (interview 8, F, under 30)

The variation around the Planning average of 47% was small, with just two outliers, one of whom showed a 0/25/75 split between Confident, Planning and Worried. This respondent was extremely concerned, and she raised this issue several times. She was not hiding away from the problem, though: she expected to continue working after her retirement, she checked her benefit statements, she kept a detailed financial spreadsheet, and she knew that she ought to invest more. However,

“rather than sort of doing it now and ruining the quality of my life now... by paying too much in, although it’s going to jeopardise my future”

A conundrum which she then summed up by adding,

“So it’s... it’s all a bit awkward, isn’t it?” (interview 12, F, 30-50)

Two respondents simultaneously felt that they were both saving enough and not saving enough. In the first instance, the respondent volunteered that she wasn’t saving enough only to alter her view shortly afterwards when asked a more direct question later: in the second instance, the same happened but in reverse order.

Of necessity, I was forced to group together under the heading of Confident responses that, on the face of it, might seem contradictory. It all depended on context: someone who said that they did think about paying for their retirement, people who said they didn’t think about it (provided they didn’t immediately add “and it keeps me awake at night”), and people who said that they had no concerns were all deemed to be confident. Determining whether that confidence is misplaced is beyond the scope of this research. In different circumstances, an interesting longitudinal study would be to return to those people ten years from now to see how things have panned out.

One respondent had a legacy DB scheme, for which he was suitably grateful:

“I had twelve years of payments into a (DB) pension scheme. That will be very rewarding when it comes to fruition” (interview 1, M, 30-50)

Another respondent mentioned her current (DC) scheme:

“I’m actually very happy that NOW contributes ten per cent to my pension, and I contribute five. To be honest, in the future, if there is a chance, I’d like to increase it as well” (interview 9, F, under 30)

None of this set mentioned that they considered property to be a better source of future financial security than having a pension, but four respondents did express a preference for having assets other than a pension:

“I care about my money, so I’ll be interested in where it’s going, and I’ll obviously want it to be in the best place” (interview 15, F, under 30)

This view emerged elsewhere. Two other respondents had savings accounts, one a lifetime ISA, into which they were paying though both were also considering raising their pension contributions having discovered that their current scheme with NOW: Pensions was a good one.

I grouped a dozen or so responses under the heading of Planning. It should be noted, however, there is a variance between those respondents who are genuinely planning and those who are planning to plan. There was an almost universal realisation of the need to plan for retirement even among those for whom the event was decades into the future. However, there were concurrently signs of reluctance among those who were doing little or nothing, frequently due to the constraints of other demands on their money – mortgage, children, enjoying life - to commit funds now for an uncertain, distant future.

When I asked for word associations with the concept of paying for retirement, five of the seven respondents used words such as scared, anxious, or daunted:

“it’s daunting, having to save money for forty years in the future. Yeah, just a bit daunted” (interview 8, F, under 30)

“I think it’s quite scary knowing how little we do get and how expensive it is” (interview 10, F, under 30)

“the problem is, a lot of people are scared of pensions. It just seems a scary area to understand. Even though I’m working at a pensions place, it shouldn’t, but it... is” (interview 12, F, 30-50)

These responses do not appear to have led to paralysis, however, with people generally choosing to live with such feelings while either trying to do something about it or accepting that as the natural state of things. There were elements of fatalism, two interviewees making the point that though they would like to predict the future, they can’t:

“I’m thinking, it will get to a point where I may worry that I’ve left it too late, maybe I should have saved before, so thinking about it now, maybe I should worry about it more?” (interview 15, F, under 30)

“it’s just not knowing, isn’t it? The future, basically” (interview 12, F, 30-50)

There was a near-total absence of calls for financial advice, with just one respondent mentioning a need for it, initially slightly humorously:

“My dad has just come in and he keeps asking me questions and I’m like, no, no, no, no, I’m not an IFA, speak to your accountant”

and, later, more personally and in respect of having more confidence in her pension savings,

“so without speaking to a financial adviser, you really don’t know” (interview 8, F, under 30)

Reasons for this relevant absence of a desire for financial advice will be explored in Chapter 7.

Finally within this sector, it is salutary to note that three respondents either said directly that they foresaw a need to work on, either on a part- or full-time basis, beyond retirement or else implied it by saying that they would need an extra source of income:

“I would probably have to do some other form of work” (interview 1, M, 30-50); “not working, but the thing is, I don’t think I’d just want to be sat around not doing anything” (interview 12, F, 30-50)

It is also worth mentioning that these comments were not always made with an air of gloom, more with a resigned awareness that this was how things are going to be.

### Planning for retirement

Making plans for retirement (that is, having specific plans rather than vague, amorphous hopes for what to do when retired) was the second-most mentioned topic. Admittedly, the number of mentions was some way behind paying for retirement with fewer than six mentions per interview as opposed to thirteen. Nevertheless, it was a topic of interest to interviewees.

Only one respondent had sought figures for his pension, no-one else having bothered. What is more, he had been so disappointed with the outcome that he hadn’t taken things any further:

“that’s why I don’t like looking at it, because it might disappoint me. There is no point in disappointing yourself (*laughs*)” (interview 1, M, 30-50)

Only one interviewee carries out a regular review of her pension and overall savings position:

"I have my own workings at home. I keep a spreadsheet of everything to do with the household – pension pot and everything, What I'm putting in, what the employer's putting in, I check that, with the statement. But I don't really go into any more detail than that" (interview 12, F, 30-50)

Generally, apathy ruled among Set 1, and it would be fair to say that of all the areas covered during the interviews, planning for retirement was the least enthusiastically broached.

### Information

By contrast, information, the third-most frequently raised topic with just under six mentions per interviewee, was an area where respondents did express enthusiasm, even if it was directed at its lack or the difficulty of tracking it down. Three-quarters of mentions were about wanting better information:

"when NOW: Pensions rolls out the app, that's great because it will create a world where I'm able to see what the value of my pension pot is" (interview 1, M, 30-50)

"the possibility to log into a government website to see a full breakdown of what I actually have so far, where I will be in five years, ten years" (interview 9, F, under 30)

"it would be a really good idea to have everything in one place (where) you can have a play on, do comparisons" (interview 12, F, 30-50)

"my generation, we're basically addicted to computers and phones and all that kind of thing, so having it on there means at least we can access it" (interview 15, F, under 30)

Two respondents said that they were happy with the amount of information that they had: however, both of them added that they would prefer it to be available in a more up-to-date way by which one of them meant the dashboard. This was seen as "a good thing" since,

"you might think, yeah, I have enough when in fact without seeing the figures, we're just speculating rather than knowing. That would be brilliant" (interview 9, F, under 30)

There were also calls for better education in schools, and for the public to be made more aware: but,

"I don't know how they'd educate it out more. I mean, you want to say schools, but the kids are too young, really" (interview 10, F, under 30)

### External factors/State Retirement Pension/SRP age

Perhaps the most surprising aspect of these three topics is how infrequently they were raised. There were far too few mentions – just eight out of a total of 234, less than 4% - to make any sort of meaningful analysis. Despite the media being consumed with Brexit at the time of the interviews, no one mentioned it. The state pension received a few mentions, mostly negative with one respondent saying that she didn't believe there would even be one. External factors - the impact of government changes, or the possibility of a stock market crash, say - were not mentioned at all.

This disconnect between the specific and the wider world is not, of course, confined to pensions and will be explored later. It raises a question for any company seeking to improve their pensions communications: does the introduction of external factors into a report on someone's personal finances have a positive or negative impact on that person? There is a danger that explaining away under-performance, say, by referring to what appear to be remote and uncontrollable global factors may induce in recipients a feeling that there is nothing they can do about it, thereby obviating any gains that might have been made by producing a more accessible annual statement.

## Summary analysis of Set 2: respondents who had not received a presentation

### Data Tables: Set 2

The following seven tables give the detailed results for Set 2 respondents (those who had not received a presentation). The data in the tables have been listed in order of relative importance and where a statement was not mentioned, it has been omitted. Note that the orders are different between Set 2 and Set 1 (respondents who had received a presentation). A comparison between the two sets appears in Data Tables: Comparison between Set 1 and Set 2.

**Table 1: Total mentions**

	<b>Set 2</b>
<b>Paying for retirement</b>	18.1
<b>Planning for retirement</b>	4.9
<b>Information</b>	4.9
<b>Retirement plans</b>	3.3
<b>Retirement age</b>	3.1
<b>SRP/external/SR age</b>	0.7
<b>Total</b>	35.0

**Table 2: Paying for retirement: %age mentioning by set**

<b>Statement</b>	<b>Set 2</b>
<b>prefers non-pension assets</b>	77%
<b>has tried to track down pots</b>	69%
<b>feels scared/anxious/daunted</b>	46%
<b>property as alternative source of post-retirement income</b>	38%
<b>concerned about investment loss</b>	38%
<b>uses modellers/does detailed calculations</b>	38%
<b>does best to save/keep to a budget</b>	31%
<b>would like a government guarantee</b>	23%
<b>auto-enrolment a good thing</b>	23%
<b>joining NOW! Pensions kick-started pension awareness</b>	23%
<b>checks annual statement</b>	23%
<b>young people have conflicting priorities</b>	23%



**Table 3: Planning for retirement**

Statement	Set 2
carries out end-of-year (family) review	77%
has sought figures for pensions	62%
doesn't work through figures/think about much	31%
pensions are dull/not exciting/very boring	23%
wants to transfer/draw down	23%

**Table 4: Information**

Statement	Set 2
too complex	46%
simpler/clearer/standardised/more accessible	38%
information on all pensions to be available in one place	31%

**Table 5: Retirement plans**

Statement	Set 2
no definite plans/too far ahead	54%
wants to travel	38%
looking forward to retirement/stopping work	23%

**Table 6: Retirement age**

Statement	Set 2
wants to retire at 55/60	54%
more than 60/65 is realistic	31%
no retirement age in mind	23%
gap between desired retirement age and realistic	8%
70/75 is realistic	8%

**Table 7: Other factors**

Statement	Set 2
economy/Brexit/stock markets beyond their control	38%
SRP will be insufficient/there won't be one	15%

This section will summarise the findings from the interviews with thirteen employees of NOW: Pensions (Set 2) who had not received a presentation on certain aspects of pensions, and the potential benefits from saving for one, as part of their induction. On average, I asked just under eight probing/clarifying questions per Set 2 interview, slightly below the average for Set 1. Again, there were outliers where I was forced to make over twenty such interventions. All three such occasions were with women. This may reflect the general truth that women have been shown to be less likely than men to jump to unwarranted assumptions and prefer to check their ground first.

The background to the interviews was the same as for Set 1 (see p117). Again, there was little need for me to ask directly leading questions, which I made every effort to keep to a minimum and as non-directional as possible (“have you heard of the pensions dashboard?”/“so have you thought about working part-time?”, for example). I only asked them when an interviewee appeared to be struggling with the meaning of the question that I had just posed.

### Retirement age

Seven of the 13 respondents would like to retire either at 55 or by the time they reach 60. Six of these seven were in the 30-50 years old age bracket. The other six respondents fell into two broad groups: those who have accepted that they will be working for longer than previous generations

“I don't think I'm ever going to stop completely working” (interview 6, M, under 30)

“I'd like probably still to continue to work a bit” (interview 7, F, under 30)

“it depends if I feel agile enough... I might be 75” (interview 7, F, under 30)

and those who might have accepted the fact but who expressed less gung-ho emotions about the prospect

“I was thinking 62...now I'm thinking 64. But it might change” (interview 13, M, over 50)

“I'll start to draw my pension at that age we've been told to by the government” (interview 6, M, under 30)

Not all acceptances were whole-hearted. One respondent recognised that

“state retirement age is a bit too late for me... because, obviously, I've got that sort of gap, between sixty and sixty-eight, I'm going to have no money from the government in that time” (interview 17, M, 30-50)

a second noted that

“a lot depends on how the pensions and savings progress over time” (interview 6, M, under 30)

and a third added that

“if I found myself in poor health, then I’d probably want to retire earlier: the worst thing is to retire at sixty-five and then drop dead the next day” (interview 20, F, 30-50)

Although this chapter deals with findings and will avoid making inferences or conclusions, on this one occasion, I feel that a comment is valid. Not only do people generally have a realistic view of when they will be able to retire but this view appears to be independent of the age at which they would truly like to retire. The tone of the interviewees’ voices cannot be conveyed through mere print, but the data do not lie.

### Plans for retirement

On the face of it, there was a split between the six interviewees who had made plans and the seven who had not. However, three of the seven who claimed not to have made plans expressed a desire to travel, a higher share than among those who said that they had made plans. Age is a factor, with younger respondents less likely to have made plans (six out of the seven who had not fell into the two younger age groups). The primary reason for this, with which it was hard to disagree although I was careful never to let this show, was that retirement was too far in the future for them to have begun to think about it seriously. As one respondent put it,

“I have no clue. I haven’t even though about this point” (interview 19, F, under 30)

Among the planners, a plurality was keen on retirement and looking forward to it. It was confusing that this keen to retire group also included respondents who had not made plans. It was noticeable throughout the entire interview process that there were several occasions when interviewees contradicted themselves, sometimes in the same breath. Someone’s immediate response to a question such as “Do you ever work through specific figures?” might be “No”, followed straightaway by examples of where they had done that very thing. My view on the reasons behind this will appear in Chapter 7.

Overall, there was a four to one split in favour of respondents whose plans could be said to be looking forward to retirement compared to those who were not. Among this group are to be found such comments as

“I hope by then to have children that’d have been grown up and I’ll probably be a grandparent (so) I’ll be able to spend a lot of time with family” (interview 7, F, under 30)

“I’d like to see my friends” (interview 17, M, 30-50)

“just have enough freedom to do what you want to do” (interview 14, F, 30-50); and, more specifically,

“So what do I plan to do? Spend more time with rugby clubs, probably on the social side” (interview 13, M, over 50)

This approach is perhaps best summed up by the respondent who said that they wanted

“to actually do some of the things that take that larger amount of time that you wouldn’t normally do if you were working full time” (interview 7, F, under 30)

There was also a handful of less positive comments such as

“I struggle to think how I’d fill my time in retirement” (interview 20, F, 30-50)

There were passing concerns that, more generally, people will not be able to afford to retire and there was often an element of conflict, with people simultaneously looking forward to, yet also dreading retirement:

“it would be nice to be able to live a comfortable life... Not sort of not able to put the heating on” (interview 14, F, 30-50)

As mentioned above, age was unsurprisingly a defining factor when interviewees were discussing their plans for retirement, with younger people having given it less thought. Nevertheless, even when someone is within ten years or so of retiring, their plans remain amorphous. Again, I will address this in Chapter 7.

### **Paying for retirement**

As with Set 1, the issue that received the most mentions – over eighteen per interviewee on average, with a high of 25 - is how respondents believe that they are going to fund their retirement. Again, respondents demonstrated inconsistency in their responses, contradicting themselves quite frequently. This is said not to disparage them but to highlight what a difficult subject we are dealing with: people are being asked to project themselves many years into the future and predict not only their finances but also their lifestyles, two circumstances which, as they already know, can be subject to daily, let alone annual or decadal, fluctuations.

There were, in total, 235 different mentions: a figure that is too high, and the range of mentions too diverse, to deal with and analyse individually. I therefore sub-divided the mentions into around forty groupings and then further split them into three broad groupings. Again, I applied the titles of Confident; Planning; and Worried. Each grouping received a relatively similar number of mentions, with Planning (40%) just ahead of Worried (34%) and Confident third with 26% of the total. The caveat about the grouping of responses made earlier also applies here. Again, the guiding light was context.

These shares varied considerably across interviewees, however, with the least worried respondent making confident comments 76% of the time and the most worried a mere 5%. The least worried respondent's retirement plan, which they considered that they were already well on the way to implementing, was to have dismissed the question of pension uncertainty by investing in property, their only concern being that current demands on their money, such as school fees, were denying them the chance to invest even more in property.

It should be noted that the two least confident respondents were not allowing this to stop them from doing something about it by planning and not simply sitting around worrying. Several of their concerns were about the uncertainty that surrounded the likely size of their pension, how best to supplement it, and how likely it was that it would be sufficient to support their planned retirement lifestyle.

Although the 235 different mentions do not lend themselves to detailed analysis, it is possible to detect certain themes emerging from the comments, the first two of which are rather perplexing:

- While eleven of the 13 respondents claimed to be confident that they were saving or investing enough now or at least doing their best to...
- ... seven of the 13 felt that they weren't saving enough

In other words, there were at least five (in fact, there were exactly five) respondents who said both things. These directly contradictory statements were made within a few minutes of each other. I went to pains to ensure that none of the five who contradicted themselves was made aware of this fact.

Three respondents had a legacy DB (Defined Benefit) scheme, for which they were grateful and recognised it:

“I was very lucky when I started work to have these amazing final salary schemes that were non-contributory” (interview 5, M, 30-50)

“so I am lucky enough to have a considerable number of years of employment in a final salary scheme” (interview 2, F, 30-50)

and, albeit tinged with reality,

“even though I’ve kind of got a really good DB scheme... it’s not meant to be my main fund for living the rest of my life” (interview 3, F, over 50)

Being in a scheme of any sort where their employer made a contribution was seen as an incentive to stay with that employer. The preference was, not surprisingly, for DB: DC (Direct Contribution) was also mentioned, though not always favourably:

“I don’t think DC pensions are really worth much. It’s not like to old DB days when you got a decent income from it” (interview 18, F, under 30)

One respondent regretted having cashed in his DC scheme when he met his wife:

“Damn, I wish I hadn’t done that!”

Later, he noted that

“I think that’s one thing people don’t realise. That the concept of pensions is based on risk, really” (interview 16, M, 30-50)

Two respondents raised concerns about the long-term viability of their DB scheme:

“is there going to be sufficient money in it to pay everybody out by the time the final person reaches retirement age?” (interview2, F, 30-50)

“I think the (redacted) pension scheme was in deficit for quite a while” (interview 5, M. 30-50)

(This latter respondent did then discuss the Pension Protection Fund, showing an awareness of its existence as a sort of safety net.)

Five respondents, one of whom was also in a DB scheme, saw property as a better source of future financial security than having a pension. Indeed, throughout many of the interviews there ran a constant theme that while having a pension was useful, it would be foolish to rely on it as the sole means of a way fund their retirement.

“(The pension) is going to pay for the food and the heating. It’s the other things we’re doing, like the property portfolio, that’s going to pay for... doing the fun things in life” (interview 3, F, over 50)

“I do that (save) through property, not through a pensions scheme so I’m not putting all of my eggs in one basket” (interview 16, M, 30-50)

“I just don’t see pensions as a decent way of saving for the future” (interview 18, F, under 30)

This attitude is perhaps best summed up by one respondent who said, in response to a prompt that she felt more confident with tangible things,

“Yes, and that might be counterintuitive since I work in financial services and my husband had his own financial services company for twenty years, as well. We’ve almost both kind of like deliberately kind of looked elsewhere. Not to do with a lack of confidence in the system, but it’s just more kind of like focused on returns and taking control” (interview 3, F, over 50)

This view emerged elsewhere. One interviewee said that he had been made redundant twice already, despite his relative youth, the experience of which had led him to believe that since he was unlikely to be at any one place for long,

“whether that’s by choice or by design. I think that the onus is more on the personal, on me, to look at the alternatives to savings. ISAs and saving it in those kinds of things” (interview 6, M, under 30)

Another respondent said that an old friend had recently died suddenly and unexpectedly which had been an unwelcome reminder of his own mortality compromise and a

“hell of a wake-up call. All of my thinking has always been, just put away, put away, put away”

It had made him think more about how much he should invest outside of a pension:

“my wife and I are reconsidering, is it all around retirement, or do we find a bit more of a balance, and enjoy certain stuff now?” (interview 16, M, 30-50)

I grouped a dozen or so of the responses under the heading of Planning. When asked for word associations with the concept of paying for retirement, just under half of the respondents used words such as “scared, anxious, daunted”. These responses do not appear to have led to paralysis, however, with people generally choosing to live with such feelings while either trying to do something about them or else accepting them as the natural state of things. There were elements of fatalism, four interviewees making the point that though they would like to predict the future, they can’t. As one respondent put it,

“I don’t think one is ever confident until you look back... when you get to the end of the road”  
(interview 13, M, over fifty).

Within the sixteen response-types that I grouped together as Worried/Resigned, two interviewees said that they had not been in any job long enough to warrant joining their employers' schemes (if, indeed, they would have been able to in any case, given that historically, schemes had a qualifying period). The lack of certainty about job tenure referred to earlier fed into another factor that came through frequently, and this is a more general uncertainty about how much savings are enough (allied to an awareness that though it would be nice if the government were there as a back-stop should anything go wrong, it is unlikely that this will ever come about). It is worth noting, despite not being an actionable point, that three respondents said that joining NOW: Pensions had kick-started their interest in their own pensions (and not all of these people were in the youngest age-group).

The so-called 'pensions freedoms' were another source of uncertainty, with respondents preferring the previous situation when it was not possible to opt out from a scheme and feeling more secure when decisions on pensions were out of their hands:

“I didn’t really have to think about it because I kind of was in it, and it wasn’t an option to opt out. You were given it, and it was a perk, whereas now, I think people have got to... weigh it up. Do I want to go out for a meal, or do I have a pension?” interview 5, M, 30-50)

In this context, an absence of easily accessed and independent financial advice

“even working in the financial industry” (interview 2, F, 30-50)

was cited by no fewer than seven respondents as, among other things, a reason for not wanting to control their own pension. As one interviewee put it,

“I don’t think that anyone can be a pension specialist or an investment specialist unless they really deep dive into it which is quite hard if that’s not your forte or what you’re interested in” (interview 6, M, under 30)

Even someone who had previously been a financial adviser still wanted advice, having recognised that

“the financial landscape, specific laws and schemes have changed drastically” (interview 11, M, 30-50)

And, even then, the advice may not have been sufficient: one respondent would like



“a bit more clarity on what the adviser I spoke to the other day was saying” (interview 16, M, 30-50)

And, finally, as one respondent said, having

“been to see financial advisers in the past to try and get a holistic picture,” even then, “it’s kind of there for a while and then... it kind of dissipates” (interview 20, F, 30-50)

Two respondents mentioned the revised HMRC limits on annual and lifetime pension contributions as having a downward impact on the attractiveness of pensions:

“so on the one hand, you’re getting the message... save more, save more but on the other hand... You can only save this much” (interview11, M, 30-50)

“the government says – not that I’m ever going to get anywhere near it – but the government sets a cap on like a million pounds where you actually think, if you live... If you retired at sixty and live till you’re a hundred or something, it’s doesn’t equal that much a year by the end” (interview 14, F, 30-50)

The first of two final points within this section relates to younger people. Three respondents, none of whom was themselves in the under-30 age group, commented that it was difficult for younger people to save because they had conflicting financial priorities:

“I’ve got two grown-up children, one’s a teacher, so that’s a very good pension scheme. Her attitude was, well, I can’t really afford it”

The mother did eventually manage to persuade her daughter to stay in the scheme, however, by pointing out that she was effectively forgoing a pay rise (interview 5, F, 30-50). In passing, it should be noted that having conflicting financial priorities was not confined to the younger age group but was spread across all three groups.

Finally, a plurality of respondents said that they intended to continue working after retirement, either on a full- or part-time basis, or as an unpaid volunteer:

“I think I’ll struggle to give up work completely. I’m very passionate about working” (interview 16, M, 30-50)

“I quite fancy driving around the country and just talking to people about to retire about everything. Not just about pensions but about lifestyle and keeping busy” (interview 13, M, over 50)

And the respondent (interview 20, F, 30-50) who said that

“I don’t kind of see retirement as a cliff edge, that I’d get to sixty-five and I’d say, right, off I go, ‘bye everybody”

and was looking for a more phased journey into retirement was probably speaking for most people.

### Planning for retirement

Making plans for retirement was the second-most mentioned topic, tying for the runner-up slot with Information (see below), though both received many fewer mentions - fewer than five per interview as opposed to eighteen. The caveat given earlier also applies here, however, with property seen as far more stimulating:

“pensions are not terribly exciting” (interview 3, F, over 50)

Indeed, in response to a question about how the interviewee felt about retirement as a topic, one reply was

“Boring! Boring? Very boring! It’s the kind of thing where you know that you have to do it, but you really don’t want to spend time thinking about it” (interview 19, F, under 30)

And, even more basically,

“I think the word ‘retirement’ is the thing that has stopped me... investing for my future... It’s a thing that happens to other people and is 40 years away, 50, whatever that date” (interview 16, M, 30-50)

Eight respondents – over 60% of the sample – had sought figures for their pensions, twice as many who said that they definitely had not (and even the one respondent who had done neither had at least carried out some research). Ten interviewees were carrying out a regular review of their pension and overall savings position, one monthly, a few annually, some less frequently. These reviews were often carried out on a family-wide basis. However, there were also a number of downbeat comments:

“I’m putting away this much of my earnings now but actually when it comes to it, it doesn’t work out at that much” (interview 7, F, under 30)

“it’s not where I thought I should be” (interview 16, M, 30-50)

“I’ve got a few (old pots) but they’ve only got a couple of thousand in them. Nothing that’s worthwhile” (interview 18, F, under 30)

The question of changes to pension rules was raised in relation to planning for retirement but this will be covered more fully in the next section. It would also be fair to say, however, that of all the areas covered during the interviews, planning for retirement was the least enthusiastically broached. People gave the impression that although they knew this was something that they of all people (and remembering that they all worked in the pensions industry) should be concerned about, they found it difficult to summon up the requisite enthusiasm.

## Information

Information, the equal second-most frequently raised topic, was an area where respondents did express enthusiasm, even if it was directed at its lack or the difficulty of tracking it down. Almost 55% of mentions were about wanting better information: it should be

“more simple... more standardised. Because for someone who’s in financial services and who does read around financial services, it’s still quite confusing so I’d be worried for people who don’t have that background” (interview 6, M, under 30)

“I’d like a proper online capability with NOW: Pensions. I’d like to be able to look at it daily and just see what’s going on” (interview 13, M, over 50)

“I can’t make head or tail of what charges you get charged from a lot of pensions” (interview 14, F, 30-50)

“easy ways of tracking what it’s going to look like at the end” (interview 17, M, 30-50)

“I find it hard to get a complete picture of what I’ve saved” (interview 20, F, 30-50)

The proposed pensions dashboard received a few mentions:

“I’m just hoping that when it goes live that all the providers that I’ve got my pension plans with have signed up to it, and make it a lot easier” (interview 2, F, 30-50)

“I would like to be able to have a consolidated view of my pension savings and this is where the pension dashboard idea I think is a good one” (interview 20, F, 30-50)

Altruistically, it was pointed out that better information would be even more helpful for those outside the pensions industry. There was also a call for better education in schools, and for the public in general to be better informed:

“I think they should make it clear to lots of people that auto-enrolment is really not enough” (interview 14, F, 30-50)

“I’d somehow bring it to life that this is a long-term savings scheme, not a thing that isn’t relevant for tomorrow” (interview 16, M, 30-50)

#### External factors/State Retirement Pension/SRP age

Again, these three topics were raised infrequently. There were far too few mentions – just nine out of a total of 455, less than 2% - to make any sort of meaningful analysis. Despite the media being consumed with Brexit at the time of the interviews, just five people mentioned it, while the impact of government changes, and the possibility of a stock market crash, were only raised in passing. All three topics were seen in a fatalistic, “what can I do about it?” fashion. The Set 1 summary given earlier also applies here.

## Comparison of findings: presentation (Set 1) vs no presentation (Set 2)

### Data Tables: Comparison between Set (presentation) and Set 2 (no presentation)

The following seven tables compare the detailed results for each set of respondents. In Table 1, the column headed 'Factor' compares the frequency with which the two sets covered various overall categories. A figure that is less than 1.00 means that Set 1, whose members had received a presentation, were less likely to raise a topic within the category than Set 2. In Tables 2-7, the column headed 'Set 1 -Set 2\*' compares the frequency with which the two sets mentioned a specific topic. A negative figure shows that Set 1, those who had received a presentation, were less likely to do so than Set 2. A positive figure shows the opposite. They have been ordered according to differences.

*Table 1: Total mentions*

	<b>Set 1</b>	<b>Set 2</b>	<b>Factor</b>
<b>Paying for retirement</b>	12.6	18.1	0.70
<b>Planning for retirement</b>	5.9	4.9	1.20
<b>Information</b>	5.7	4.9	1.16
<b>Retirement plans</b>	4.7	3.3	1.42
<b>Retirement age</b>	3.4	3.1	1.10
<b>SRP/external/SR age</b>	1.1	0.7	1.57
<b>Total</b>	<b>33.4</b>	<b>35.0</b>	0.95

*Table 2: Paying for retirement: %age mentioning by set*

<b>Statement</b>	<b>Set 1</b>	<b>Set 2</b>	<b>Set 1- Set 2*</b>
<b>has tried to track down pots</b>	29%	69%	-40
<b>property as alternative source of post-retirement income</b>	0%	38%	-38
<b>concerned about investment loss</b>	0%	38%	-38
<b>prefers non-pension assets</b>	43%	77%	-34
<b>uses modellers/does detailed calculations</b>	14%	38%	-24
<b>would like a government guarantee</b>	0%	23%	-23

auto-enrolment a good thing	0%	23%	-23
joining NOW! Pensions kick-started pension awareness	0%	23%	-23
checks annual statement	43%	23%	+20
young people have conflicting priorities	43%	23%	+20
feels scared/anxious/daunted	71%	46%	+25
does best to save/keep to a budget	57%	31%	+26

Table 3: Planning for retirement %age mentioning by set

Statement	Set 1	Set 2	Set 1- Set 2*
carries out end-of-year (family) review	14%	77%	-63
has sought figures for pensions	14%	62%	-47
pensions are dull/not exciting/very boring	0%	23%	-23
wants to transfer/draw down	0%	23%	-23
doesn't work through figures/think about much	57%	31%	+26

Table 4: Information %age mentioning by set

Statement	Set 1	Set 2	Set 1- Set 2*
too complex	29%	46%	-18
information on all pensions to be available in one place	57%	31%	+26
simpler/clearer/standardised/more accessible	71%	38%	+33

Table 5: Retirement plans %age mentioning by set

Statement	Set 1	Set 2	Set 1 – Set 2*
looking forward to retirement/stopping work	0%	23%	-23
no definite plans/too far ahead	71%	54%	+18
wants to travel	57%	38%	+19

Table 6: Retirement age %age mentioning by set

Statement	Set 1	Set 2	Set 1 – Set 2*
wants to retire at 55/60	29%	54%	-25
no retirement age in mind	0%	23%	-23
more than 60/65 is realistic	57%	31%	+26
gap between desired retirement age and realistic	43%	8%	+35
70/75 is realistic	57%	8%	+49

Table 7: Other factors %age mentioning by set

Statement	Set 1	Set 2	Set 1 – Set 2*
economy/Brexit/stock markets beyond their control	0%	38%	-38
SRP will be insufficient/there won't be one	43%	15%	+28

\* %age point difference

The twenty interviews were conducted in a random order, determined by the availability of both the interviewee and myself. As a result, there was no pattern to when someone who had been given an employer presentation was interviewed. This was unintentional but helpful since it removed any possibility of my conducting the interview differently if I had known that I was speaking to someone with the extra knowledge that the presentation might have given them.

The total number of mentions was similar for both sets – 33.4 per Set 1 respondent against 35.0 per Set 2 respondent. The breakdown by category (Appendix 9 Table 1) does, however, differ considerably across sets. (The word 'significant' comes to mind: however, given that word's precise statistical meaning, I have tried to avoid using it in this analysis.) Curiously but probably coincidentally (a much larger sample size would be needed to determine if it was anything more than that), the ranking by each group is virtually identical. In summary,

- How they will pay for their retirement is more of a concern for Set 2 (no presentation), who raised it almost half as often again as Set 1 (presentation)
- Conversely, matters such as thinking about, and making plans for, retirement and obtaining information, are more of a concern for Set 1 than Set 2

I will investigate this further in Chapter 8 but here I will summarise where the differences occurred by category, taking them in order of importance placed upon each by respondents. For full details, see Appendix 9 where the data appear in Tables 2-7.

### Paying for retirement (Table 2)

As noted above, Set 2 referred to this topic almost half as many times again as Set 1. But frequency does not imply concern: the Confident/Planning/Worried split for Set 2 was 26/40/34: for Set 1, it was 14/47/40. Allocating a value of +1 to Confident, zero to Planning, and -1 to Worried produces weighted figures of -8 for Set 2 and -26 for Set 1. In summary:

- Set 2 are very much more likely to see property as an alternative source of post-retirement income, and also prefer non-pension assets in general
- Set 2 are also more concerned about investment loss
- Set 1 are more likely to do their best to save and/or keep to a budget
- Set 2 are more likely to feel scared, anxious or daunted by how to pay for their retirement

### Planning for retirement (Table 3)

Again, frequency of mention does not always equate to concern. Set 1 were 20% more likely to raise the subject. However, those in Set 2 who raised it had, counter-intuitively, taken more actions.

- Set 2 were almost six times more likely to have carried a year-end review of their finances and over four times more likely to have sought out figures for their pensions
- Set 2 were more likely to find the whole subject of pensions a turn-off (no-one in Set 1 admitted to this)
- Conversely, Set 1 were half as likely to spend time thinking about their pensions

### Information (Table 4)

Information was another area which Set 1 were more likely to mention. The difference in frequency was about one-sixth. In summary,

- Set 2 were about twice as likely to find the subject too complex
- Set 1 were about twice as likely to want information to be simpler in terms of both accessing and understanding

### Retirement plans (Table 5)

The difference between planning for retirement and having concrete plans might be seen as subtle. What I was after was finding if someone had genuinely tried to think about the reality of being retired



rather than simply having some amorphous ideas about the subject. But although Set 1 mentioned the subject 40% more frequently, their plans were not particularly deeply thought through.

The data suggest that for someone whose retirement age is several years ahead, making concrete plans appears to be a waste of time.

### Retirement age (Table 6)

The frequency with which respondents mentioned retirement age was low, and the difference between the two sets was low, under 10%. There was an attitudinal difference between the two sets, however.

- Set 2 were twice as likely to expect to be able to retire at the age of 55 or 60...
- ...whereas Set 1 were twice as likely to say that older than 60 or 65 was more realistic
- Set 1 were very much more likely, by a factor of seven, to say that a retirement age of 70 or 75 was realistic

### State Retirement Pension/external factors/SR age (Table 7)

None of these three categories received enough mentions among either group to warrant much analysis. With that caveat in mind, there are two differences that may be worth noting:

- Almost 40% of Set 2 raised the issue of external factors affecting their pension plans: no-one in Set 1 did
- Set 1 were almost three times more likely to say that the SRP will either be insufficient or non-existent by the time they qualify for it

## NOW: Pensions presentation

For a brief period, the HR department of NOW: Pensions made an induction presentation to new employees, and the seven respondents who formed the EPG referred to in the previous section all received this. The presentation, which was formally titled 'The UK Retirement Landscape: Nottingham Induction Training', consisted of 31 slides and appears in detail as Appendix 5. The headline for each slide is as follows:

1. Front page
2. Topics to be covered
3. UK "Elderly Problem"
4. Life Expectancy
5. The first person to live to 150 is alive TODAY!
6. UK "Elderly Problem" – why care?
7. Cost of care is expensive
8. Cost of care homes
9. Picture slide
10. History of the State Pension I
11. History of the State Pension II
12. Current State Pension
13. New State Pension
14. Funding Problem I
15. Funding Problem II – Occupational Schemes
16. Private sector DB vs DC membership
17. Auto enrolment I
18. Auto enrolment II
19. DB schemes I
20. DB schemes II
21. DB schemes III
22. DB schemes IV
23. DC schemes I
24. DC schemes II
25. DC schemes III
26. DC schemes IV
27. DC schemes V
28. What is a Master Trust I?

29. What is a Master Trust II?
30. Main pension providers I
31. Main pension providers II

A breakdown of this list should give the reader a fairly accurate idea of the thrust and, by inference perhaps, the employer's hoped-for impact of the presentation. There are four general slides (1, 2, 5 and 9) plus the final four (28-31) that put NOW: Pensions into context and describe the work that the company does. The majority of the other 23 slides were focused on the issues that face the UK pensions sector, beginning with what the presentation dubs the UK's "Elderly Problem".

This chart shows that, currently, there are 10.3 million people aged over 65. This figure is forecast to rise to 12.5 million by 2020, and 16 million by 2030. By 2050, the number of centenarians is forecast to have risen from 12,500 to a quarter of a million.

(The date of these figures is not given although the source is – the Office for National Statistics (ONS). The latest population estimates from the ONS, released in March 2018, show figures of 10.5 million for 2011, suggesting that was NOW: Pensions' base year, and 11.8 million for 2016, the latest year available. The latest population projections, released in October 2017, show figures of 12.6 million for 2020 and 15.4 million for 2030. In other words, although the longer-term projections have been revised down slightly, the direction remains the same, and the message can be taken to be broadly unaltered.)

The Elderly Problem is expanded on with a table of life expectancy, showing that it rose from 58 years for men and 63 for women in 1930 to 78 and 82, respectively, by 2010. Projections for 2050 are given which are 85 for men and 88 for women. This is followed by a slide headed "UK Elderly Problem - Why care?" which provides some less than cheering statistics relating to the number of people currently living in residential care (431,500); the number of people aged 65 and over who currently live alone (3.7 million); the number of people aged 65 and over with dementia (821,000 - a figure that is followed by a note that it is forecast to double in less than forty years); and the number of people in the UK who provide unpaid care (6.4 million).

This latter point is reinforced by a slide showing the annual cost of care, which is estimated as anywhere between £12k for two hours a day at home, via residential/nursing care (£27k-£38k), all the way up to full-time, 24 hours a day care at home for which a figure of £147k is given. Though this last figure looks high (it appears to have been reached by multiplying the two hours a day figure by twelve, which is surely incorrect given the likely economies of scale), the other figures are high enough to give anyone in the audience pause for thought.

After two slides on the history of the State Retirement Pension (SRP), the first line of the next slide, titled 'Current State Pension', is: "It's very complicated and nobody understands what they will get!" This and the following slide then provide some data, ending up with a figure for the full SRP which began to be paid in April 2016 but it is likely that that opening line will have set the scene for a less than enthusiastic embrace by the audience of the SRP as a means of funding their retirement.

Three slides on the UK's 'Pensions Funding Problem' follow, with the killer statistic shown at the very start. The dependency ratio (the number of workers compared to the number of pensioners), which was 7:1 in 1920, has fallen to around 3:1 now, and is expected to fall further over the next decades. The presentation has two differing figures shown for 2050, one similar to the current dependency ratio, one very much lower. It is my view that this reflects the fact that it is a very hard figure to forecast: it will depend on how many people continue to work until they reach state pension age, and we have no history yet of how an increase in the latter will actually affect people's propensity to work.

The funding problem is further explored in a slide that shows the decline in the number of people in occupational pension schemes. From a high of 12.2 million in 1967, which would have been around 50% of the total workforce at the time, the total had fallen to just 8.1 million by 2013, which was less than 30% of the (by now expanded) workforce. All of this decline has been in the private sector, where the total has fallen from 8.1 million to 2.8 million, a dip only partially offset by a rise of 1.2 million across the public sector. And between 2000 and 2013 alone, as the next slide shows, there has been a fall of 3 million people – a decline of 65% - who were in a private sector DB scheme, another decline only partially offset by a rise of 0.3 million in DC scheme members.

The second auto enrolment slide pulls together many of the preceding facts and adds two of its own: the first notes that annuity rates are at a historic low and will remain so for a long time; the second, in bold, says that "People must be encouraged to save for their retirement!".

The final seven slides before the presentation ends with specific information about NOW: Pensions are concerned with DB and DC schemes, explaining what they are, and how each is funded. Given the virtual disappearance of the former, it is debatable that many in the audience will have paid much attention to the first three slides, their focus more likely having been on the DC slides and, in particular, one point, again highlighted in bold: "Investment risk is wholly with employee (not employer)".

As far as I have been able to determine, none of the important facts shown on the slides is wrong, and nothing of significance that might have lightened the mood has been omitted. It is hard, however, to leave the charts without feeling that it will not have been a cheerful audience that trooped out of the lecture room.

## Chapter 7: Discussion and implications of the research findings

Interpretation of what the research findings mean and whether they agree with the aims and objectives set out in the proposal.

What's in a title?

The original title of the research proposal was:

**Pension communications: To what extent can they be made more engaging using communication and behavioural theory?**

The indifference shown by respondents to the initial research questionnaire led to my reappraising the focus of the main body of the project. I therefore revised the title of the project to:

**Employee engagement with pension savings: the extent to which it can be affected by a face to face, employer-led presentation**

And, finally, to:

**Enhancing employee engagement with pension savings: a UK case study**

This demonstrates the changing emphasis as the work progressed and the findings which emerged. The purpose was to contribute to my sector by understanding and implementing strategies to encourage employees to engage in their pension schemes and for me to be a suitable person to achieve this.

The aims of this particular project then were to fulfil the overall purpose:

1. To provide comprehensive and reliable evidence of what works or does not work in engaging employees in their pension using existing and conjectured approaches (Stage 1) in practice for their impact
2. To research a face to face strategy approach for impact on which to base recommendations

Objectives

1. To research existing and conjectural beliefs about how to engage participants in one organisation (stage 1)
2. To examine the outcomes of that and explore a range of literature resources pertinent to this research

3. To deepen my own understanding of conceptual frames and methodologies to select the most context appropriate design
4. To determine whether member engagement can be improved by the use of a face-to-face employee presentation by using a research-based approach, to implement a programme of employee presentations in conjunction with the employer, so that they can learn how to communicate most effectively with employees.
5. If resistance to adopting employee presentations as the usual method of communicating the benefits of the pension scheme to staff is encountered, to explore the reasons for this and make attempts to overcome them
6. To subject the data to analysis and interpretation
7. To make recommendations based on the findings

Chapter 6 (Results and Findings) compared the seven interviews conducted with employees who had received an employer presentation (Set 1) with the thirteen interviews conducted with employees who had not received one (Set 2). No conclusions were drawn from the data. In this chapter, I will be doing three things:

- make inferences from the findings
- draw out conclusions regarding the effect of an existing employer presentation on employees' views of their pensions
- make proposals regarding the content of a revised employer presentation and its potential impact on employees' views of their pensions

#### Inferences and conclusions from findings: presentation (Set 1) vs no presentation (Set 2)

In the semi-structured interview format I adopted, there was a limit on the number of topics discussed (respondents were offered the chance to raise any other topics; none did so) but I did not limit how often an interviewee could mention a topic. The total number of mentions was very similar for both sets of respondents – 33.4 for Set 1 against 35.0 for Set 2 (Appendix 9 Table 1). The standard deviation, however, was more than twice as great for Set 2 as for Set 1 (8.2 against 4.0), with the former including the three highest numbers of mentions, all in excess of 45, as well as two of the three lowest.

One inference is that receiving an employer presentation has the effect of calming someone's concerns: it may not remove them entirely, but it may enable a recipient to put them into context.

The totals were similar but the breakdown for each set by broad category differed considerably. The rankings by each major group are virtually identical though this is almost certainly a coincidence and the two sets placed varying emphases on the categories. Most notably, Set 2 mentioned how they

were going to fund their retirement almost half as often again as Set 1. Counterbalancing that, Set 1 made, in total, almost 25% more mentions of all the other categories.

I must re-emphasise that I put no limits on the number of mentions that any interviewee could make of a topic. If Set 2 referred, on average, eighteen times to how they were going to pay for their retirement, they were not constrained to how often they could mention other topics, such as their plans for it, or the age at which they hoped to start it. I was careful never to watch the clock, and to allow an interviewee to talk until they decided to stop.

It is reasonable to infer that these differences in emphasis are genuine: those in Set 2 did have more concerns than Set 1 about funding their retirement which may have crowded out other topics. It would be wrong to suggest that this different balance is purely the result of not having received a presentation. Before reaching any such conclusions, I will look in detail at where the emphases differed across the two sets by each broad category of response. As before, I will treat each category in the order of the importance that (fortunately, for me) both sets gave to it.

### Paying for retirement

Table 1 showed that Set 2 were almost one and a half times more likely to mention how they thought they were going to pay for their retirement than Set 1. I have already discussed how, to simplify the analysis, I combined responses into three categories, defined as Confident, Planning, and Worried.

This involved subjective decisions on where to place a comment which may raise the reader's eyebrows. Why, for example, has the comment that "joining NOW: Pensions kick-started my awareness of pensions" been allocated to the Worried group? The answer is the context surrounding the comment. Generally, anyone who said it did so with a rueful acknowledgement that they knew they should have started thinking about their pension sooner and that it should not have taken joining NOW: Pensions to nudge them.

The Confident/Planning/Worried split among Set 1, it was 14/47/40: for Set 2 was 26/40/34. To compare the two sets of figures, I allocated purely arbitrary values of +1 to Confident, zero to Planning, and -1 to Worried. I ended up with weighted figures of -26 for Set 1 and -8 for Set 2. While both figures are negative, it is not unreasonable to say Set 1, the people who had received a presentation, were more concerned about how they are going to fund their retirement than were Set 2, who had not.

The sample size of twenty in total is too small to use the statistically loaded word 'significant'. The difference between the two sets is, however, measurable, and the top-line inference has to be that

being given an employer presentation, the contents of which were discussed at the end of the preceding chapter has two, possibly conflicting, effects:

- The presentation may make audience members more likely to think and be concerned about how they are going to fund their retirement, but...
- ...the presentation also makes them less likely to raise the topic in a situation where they have no constraint on so doing.

There is no obvious pattern to Appendix 9 Table 2 except that there were twice as many topics – eight against four – which Set 2 raised more frequently than Set 1. It is true that non-pension assets have more appeal to Set 2. However, this may be circumstantial rather than simply the result of not having had a presentation. Where the impact of a presentation does shine through, albeit in a negative light, is in the two categories of feeling scared/anxious/daunted and doing their best to save and/or budget.

Set 1 appear to have been affected by the gloomy nature of the presentation. It is unlikely that the aim of HR was to depress its audience with the presentation although simply reading the slides is sobering. However, since the presentation seems to have instilled in its audience a realisation that they will need to save for their retirement, it has succeeded in its implicit aim of raising awareness.

One curious statistic emerged for both sets. While nine of Set 2 claimed to be confident that they were saving or investing enough now or at least trying to, seven of them felt that they weren't saving enough, making a total of 16. The corresponding figures for Set 1 were six and four, making a total of ten. The two set sizes were 13 and seven, respectively. In other words, there were at least six respondents, three in each set, who said both things.

I took pains to ensure that interviewees were not led in any way such that I am confident that none of the six who apparently contradicted themselves was made aware of this. My inference is that because of the level of uncertainty that surrounds pensions, regardless of how confident a person may appear to be on the subject, underlying it all they are not.

### Planning for retirement

In contrast to paying for retirement, Set 2 were one-sixth less likely to have made concrete plans for retirement than Set 1. Having said that, Appendix 9 Table 3, which shows the major differences, in terms of the frequency with which each group raised specific concerns and where the two groups showed differing propensities, suggests that Set 2 were the more active. What causes this apparent anomaly is the frequency with which Set 1 mentioned certain topics.



The most glaring appears on the bottom line on the table. There were just six mentions of this by the 13 Set 2 members against 19 from Set 1, an almost six-fold frequency difference. In answer to the question, “Do you ever look through specific figures?”, comments from Set 1 include “No”; “This is as far as I’ve thought about it, not in massive depth”; “No. My retirement year is 2052... so it’s being pushed back into second place”; “No. (laughs) No, no”.

This last comment was followed by the interviewee saying, in response to a probing question about the SRP website, “I remember having an induction here and they were saying about it... but no, I haven’t really looked into it much”. In fairness, there was a number of negative comments from Set 2, also: “I don’t... look at it in as much detail; as I should”; “No, I haven’t” (although this comment was immediately followed by the interviewee adding that she had “been on one of the on-line calculator things where you... put in your salary”).

Though not always in respect of this topic, five people mentioned that “the rules change too much”, offering it as a reason or excuse for not doing more. None of these five had received a presentation which may be a coincidence although it could be inferred that after someone has been shown slides concerning various recent rule changes, they might have a better grasp of the subject and thus be less discouraged by the prospect of further changes.

Since pension planning excites no-one, it appears perverse for the government to throw in an extra spanner, giving an already unappealing task an even more pointless aspect. Of all the areas covered during the interviews, planning for retirement was the least enthusiastically broached. People gave the impression that, although they knew that this was something that they of all people (remembering that they worked in the pensions industry) should be concerned about, they found it difficult to summon much enthusiasm.

## Information

Information was another area with which Set 2 were less likely to have an issue than Set 1 though the overall difference was less marked than with planning for retirement. Appendix 9 Table 4 tells a clear story here. After having had a presentation, someone is more likely to believe that information should be more easily accessible, and less likely to believe that it is complex than someone who has not had one. The question is, is this causation or coincidence?

Without going back to respondents and asking them directly a question that they may be incapable of answering (the effect, if there was one, may have been subliminal), or significantly increasing the size of the sample (which is beyond my capacities) and adding such a question to the interview, it is impossible to be sure. The unmissable sub-text is that more, but simpler information is badly needed,

and that respondents believe that its provision could go a long way to meeting their other concerns and make them more inclined to address their retirement planning.

### Retirement plans

Retirement plans was a third area that Set 2 were less likely to raise, the frequency gap between them and Set 1 being 30% (Appendix 9 Table 5). Regardless of whether someone had received a presentation, the under-30 age group was more likely to plan to travel in retirement (63%) than the over-30s (33%). I can think of three explanations for this. First, younger people may have travelled less and will have more unfulfilled destination goals. Second, because they are young, travel, with its connotations of freedom and escape from mundane reality, may appeal more to them since the downsides – absence from home, crowded airports, unsatisfactory accommodation, unusual food, insufficient medication – will not have manifested themselves. And third, because they are young, retirement seems so far away that they cannot imagine what it will entail beyond not having to work.

In other words, not too much should be read into this difference, and I do not consider that having a presentation will affect this in any way.

Most respondents' plans, regardless of age or presentation status, were amorphous. As to why, especially for someone who may retire within the next ten or fifteen years, I would posit that it reflects the general uncertainty surrounding retirement. What came across strongly from all interviewees was that retirement was seen as having once been, in some mythical past age, much more cut and dried than it is now. In this mythical past, people retired at 65, having known this date all along, after which they would spend their final years in a state of ever-increasing relaxation. No interviewee ever expressed any expectation that their own retirement would follow this pattern.

This was another area where respondents frequently contradicted themselves. I believe that this may be because the interviewees work in the pensions industry and may have set themselves a higher bar regarding what an average person's knowledge is of pensions. They may think that their knowledge is average whereas it is, in fact, very much above average. They may therefore tend to be more aware of what they don't know rather than what they do. This is common among professionals in any sphere.

### Retirement age

The frequencies with which the two sets mentioned retirement age were similar, but their expectations were not (Appendix 9 Table 6). This responses to this question demonstrate most clearly the divide between Set 1 and Set 2, with the former displaying a greater sense of realism. In part, this realism may have stemmed from the amount of publicity that has been given to pensions and retirement for most of this century. It will, however, have been reinforced by the presentation and it

cannot be chance that Set 1 has a retirement age in mind that upwards of a decade beyond that envisaged by Set 2.

If the aim of government campaigns on pensions was to raise awareness, they have been successful. If the aim was to persuade people to take action and become more enamoured of pensions, they have not been.

### State Retirement Pension/external factors/SR age

As noted above, none of these factors received enough mentions among either group to warrant much analysis but Appendix 9 Table 7 shows that there were two connected differences worth a comment.

The effect of receiving a presentation appears to have persuaded the audience to be much less prepared to put themselves at the mercy of external events while simultaneously persuading them to write off the state pension. This is unlikely to have been an overt aim though it does fit in with a wider sense of getting people to take control of their retirement.

This specific/general disconnect is not confined to pensions, but it raises a question for an employer seeking to improve their overall pension communications: does introducing external factors into a report on someone's personal finances have a positive or negative impact? There may be a danger that by explaining away under-performance, say, by referring to remote and uncontrollable global factors may induce in recipients a feeling that there is nothing they can do about it, thereby obviating any gains that might have been made by producing a more accessible annual statement.

### Summary of inferences from findings

Because I decided not to ask the interviewees who had received a presentation directly whether they felt they had been affected by it, all I can do is infer the effect, if there was one, from their responses. These inferences are summarised below.

### Paying for retirement

- Set 2 are almost one and a half times more likely than Set 1 to mention how they believe they will fund their retirement
- The Confident/Planning/Worried split among Set 1 was 14/47/40; for Set 2, it was 26/40/34. Allocating arbitrary values of +1 to Confident, zero to Planning, and -1 to Worried produces weighted figures of **-26 for Set 1 and -8 for Set 2. Receiving a presentation makes someone more concerned about how they will fund their retirement**

- Non-pension assets appeal more to Set 2 than Set 1 (this may be circumstantial)
- Set 1 are more likely to admit to feeling scared/anxious/daunted but also to be doing their best to save and/or budget
- Depressing the audience was not the intention but having had a presentation has instilled greater awareness of the need to save
- There were six respondents, three in each set, who were confident that they were saving or investing enough now (or doing their best to) but also felt that they weren't saving or investing enough
- The inference from this final point is that it is due to the uncertainty that surrounds pensions. Regardless of how confident a person may appear to be, underlying it they are not

### **Planning for retirement**

- Unlike the question of paying for retirement, Set 2 were one-sixth less likely to have made concrete plans for retirement than Set 1
- Set 2 were very much more likely than Set 1 to carry out a periodical review of their finances, often on a family-wide basis
- In contrast, Set 1 were more likely to claim that they do not think about, or work through, figures very much
- From this, I infer that while having a presentation may increase awareness of the need to save, it may also induce fatalism given the gloomy nature of the slides

### **Information**

- Set 1 were more likely to believe that simple information should be available and easily accessible
- Set 2 were more likely to believe that pensions information was complex
- My inference here is that the simple act of being given a presentation will reduce people's concerns that pensions is a difficult subject while at the same time raising their desire to learn more about it, if only such information were more available

## **Retirement plans**

- Retirement plans was the third topic that Set 2 were less likely to raise, the frequency gap between them and Set 1 being 30%
- Set 1 had a much younger profile than Set 2 so the higher propensity to plan to travel is unlikely to be solely due to the presentation. And because they are young, retirement seems so far away that they cannot imagine what it will entail beyond not having to work
- Not too much should be read into this finding, and I do not consider that having a presentation would affect this in any way
- Most respondents' plans, regardless of age or whether they had received a presentation, are amorphous. I infer that someone whose plans remain amorphous yet whose retirement is not that distant reflects the general uncertainty surrounding retirement
- Once upon a time, people retired at the age of 65, having always known that was the. No interviewee ever expressed any expectation that their own retirement would follow this pattern
- This was another area where respondents often contradicted themselves, possibly because they believe that their pensions knowledge is lower than it actually is. Receiving a presentation may have exacerbated this feeling but that is no reason for withholding one

## **Retirement age**

- This was the area which showed the clearest divide between Set 1 and Set 2, with the former displaying a greater sense of realism
- In part, this realism may have stemmed from the amount of publicity that has been given to pensions and retirement for most of this century
- It will have been reinforced by the presentation. It cannot be chance that Set 1 has a retirement age in mind that is a decade beyond that envisaged by Set 2

## **State Retirement Pension/external factors/SR age**

- None of these factors received enough mentions to warrant much analysis

- The presentation has made Set 1 less prepared to put themselves at the mercy of external events and sceptical about the state pension. This fits with a wider sense of getting people to take control of their retirement
- The specific/general disconnect is not confined to pensions. It raises a question for an employer seeking to improve its pension communications: does discussing external factors have a positive or negative impact? Explaining poor performance by referring to remote and uncontrollable global factors may make recipients feel that there is nothing they can do about it, removing any gains made by producing a more accessible annual statement

For convenience, a summary of the above inferences and conclusions is also attached as Appendix 10.

## Relationship with the literature

I believe that my research uncovered a variety of reasons why people may not want to engage with their pensions. The interviews made plain that there are lots of reasons: retirement seems a long way off; the topic seems complex and boring; there are other more interesting things to spend money on; there are conflicting financial priorities; the savings do not feel like 'their' money as they are locked away for such a long time; it seems like a hopeless task as the target amount seems unachievably high; there is a general mistrust in the whole system, encompassing state pensions as well as occupational and private.

As noted, I could not locate a single body of literature on my chosen field of pension engagement which specifically related to employee presentations and their effect on employees' feelings towards their pension savings. In fact, there was very little qualitative research relating to pension savings as researchers appear to favour the type of research that results in quotable statistical information. I therefore carried out a substantial amount of reading in several areas that I felt were tangentially relevant.

Because of this absence of qualitative pension engagement literature, it swiftly became clear that I would have to make links where none existed to relate my research findings to the literature, as the dissertation guidelines suggest. I therefore reluctantly abandoned all such attempts. Rather than continually repeat this comment, I ask the reader to bear it in mind throughout the following sections.

## Pension engagement

The existing literature concentrated on lamenting the lack of member engagement, with one analysis, for example, finding that 40% of those polled did not know whether they were in a DC or DB scheme, and that 11% said they were simply not interested in pensions. A private sector financial services organisation, hoping to promote member engagement, had produced pension portal videos with the aim to 'engage, educate and empower'. I also uncovered a magazine article aimed at HR professionals recommending how to set engagement goals. While a lack of engagement was definitely seen as an issue, there was no qualitative research.

As previously discussed, research such as Warburton's into pension engagement concentrated on quantitative measures of calculating engagement whereas I (as I said to my interviewees in every interview) was more interested in what people *feel*, in their own words.

That there was little extant research indicated there was a gap into which I could locate my research project. Pension providers (for the most part) are not charities and must concentrate on making a profit. All providers must evaluate the extent to which they are providing value for money to their

members. This is an emerging and developing phenomenon; the concept of 'value for money' for pension savers was a part of the Pensions Regulator's code for DC schemes which was formally launched in July 2016<sup>21</sup>.

Originally, value for money was interpreted narrowly - as the charges applied to members' accounts and perhaps the investment growth achieved by differently priced funds. (More adventurous funds might be associated with higher charges, but then might be expected to achieve a higher rate of investment growth, meaning a higher 'net profit' being achieved.) With little guidance from the Regulator, the industry was forced to reflect and draw its own conclusions, with the result that more and more items were considered to fall within its remit, such as the quality (rather than just the absolute price) of the administration service.

An interesting point, and one that was much debated at NOW: Pensions, is that of communications. If a member cannot be communicated with, for example, because their address is out of date, they may lose track of their NOW: Pensions savings and will therefore receive no value at all. Alternatively, if NOW: Pensions makes the effort to trace every single member periodically using a private detective agency, say, this cost will be borne by other members. There is a balance to be struck.

Moving to the lack of qualitative research, I was initially surprised by its paucity. However, from the vantage point of having carried out my own qualitative project, I have seen first-hand the considerable amount of time consumed by the process, from determining interview questions to carrying out and transcribing the interviews, then coding them and drawing conclusions. I am now not at all surprised – especially not when the link is made with the measurement of the value for money which members obtain from the scheme.

For a master trust like NOW: Pensions, there is a legal obligation to produce an annual Chair's Statement which must contain the method used to determine value for money. Is it in the members' best interests for their pension provider to dedicate resource to carrying out qualitative research when this time and money could be used to improve administration? But if pension providers *were* to carry out the research and discover how to communicate with members more effectively, would the improvement in members' feelings towards their pension savings, and their eventual outcome, justify the amount of expenditure? They are interesting questions to which there are no easy answers.

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<sup>21</sup> <http://www.thepensionsregulator.gov.uk/codes/code-governance-administration-occupational-dc-trust-based-schemes.aspx>



## Behavioural science

My reading on behavioural science was in preparation for my initial research idea - to ascertain whether changes to the wording in a benefit statement could bring about an improvement in engagement. This was therefore less relevant to the project that I eventually carried out. One strand still has relevance is the observations relating to social norms. It is notable that the employee presentation that was given to seven out of 20 interviewees made no use of social norms. As it has been shown that people are influenced by what 'other people' do, it would have been advisable for social norms be incorporated into any rewrite.

Having found that the presentation does appear to have influenced people's feelings, there is the reassurance that any resource dedicated to refreshing and relaunching the employee presentation will not be wasted. Further, the research may encourage other employers and pensions professionals to write and launch a presentation rather than relying on paperwork and a website.

The tricky part will be finding positive social norms. The finding that 11% of people have no interest in pensions could be repurposed to '89% of people do have an interest in pensions'. Previous research has shown that, where the negative is quoted - say, that x% of people fail to pick up litter - such is the power of the social norm that rather than being disgusted by this behaviour and deciding to do better, people fall in with the herd, reassured by the safety in numbers.

## Insider research

It is edifying to look back at the insider research section of the literature review from the vantage point of having completed the project. As noted earlier, I discovered that there were three subdivisions of insider research (practitioner, collaborative and narrative research), and it is apparent that they did not quite play the roles that I felt they might at outset.

I expected that the collaborative element of the research would be foregrounded, with the interviewees working with me to create a way forward. Originally, I had intended to carry out interviews before employees had seen the presentation, to repeat the interviews afterwards, and perhaps to repeat the exercise six months later to introduce a longitudinal element to the study. As the presentation had been discontinued, I had to amend my research to interviewing employees who happened to have seen the presentation or not.

If I had been able to carry out successive interviews, I envisaged building rapport with the interviewees and involving them in the revision of the presentation. This could have worked by 'micro researching' – testing elements of the proposed presentation in the same way as I tested different benefit statement wordings in the early part of the research project.

The discontinuation of the presentation, coupled with the rapid turnover of staff, meant that this collaboration was not feasible; however, even if circumstances had been optimal, it would have been impossible for me to carry this out satisfactorily for reasons of resource.

The effect of practitioner research is an interesting one. From the perspective of having finished, it is possible to reflect on the influence that being part of the researched environment might have had on the direction of the research. I was situated in the researched environment throughout and wonder whether there were some phenomena that I took for granted, because 'that is how we do things here', whereas an outside researcher might have found them more surprising.

For example, there is the surprise that a company with 160 employees lacked an induction process. Other researchers might have been diverted by this and been tempted to explore whether there is a connection with the rapid turnover, or to ascertain whether there is any bearing on whether staff feel valued – especially as there are no staff satisfaction measures in place. For me, the situation was 'business as usual'; having worked for the company since June 2017, I was aware of the type of things that we did and did not do, and was less likely to be startled by omissions.

The narrative research element was more foregrounded than I anticipated. I have read dissertations which have read almost like a private diary, and it seemed that this was at the expense of academic rigour. However, an important factor with a professional doctorate is that one pillar – a third of the requirement – is personal growth. Although it is not necessarily comfortable, it is crucial to share elements of my learning journal to show how my 'story' has developed. Of course, there is also the story of the research, described in Chapter 3.

I heeded the warning of Hammersley (2007) that the only way to show that the research is unbiased is by making the process open and transparent so that others can see exactly what data has been gathered and what has been done with it. The interview transcripts and coding schema are included as Appendices 3 and 4, and the interviews themselves are also available.

### Action Research

As pointed out by Coghlan and Brannick (2001) and Perry and Zuber-Kerritt (1994), when Action Research (AR) is being carried out, there are two projects taking place simultaneously – the academic research project and the real-life work project to effect changes to practice. They ought to develop in parallel, and I think this has been the case here.

AR, as stated in the literature review, has four components, all of which have been successfully fulfilled. The first component, that the research should be *in* action rather than *about* action, has been

satisfied because it took place while NOW: Pensions was in the process of transitioning from one situation to another in respect of the employee presentation. The interviews encompassed people who were employed before there was an induction programme, while it was in use and after it had been discontinued. The action was taking place in real time at the same time as the research was being carried out, and the very fact that the employee presentation had become the focus of academic attention hastened the decision to revise it. The act of carrying out the research was inseparably intertwined with the development of the real-world product. My unfolding findings helped to inform the direction in which the employee presentation was being taken.

The second component is for it to be participative, and this extended further than I had envisaged. I had expected to be a participant myself, together with interviewees, but the project brought in the interviewees' line managers, who had to release them from their duties to talk to me, and the HR department who supplied information on the presentation, its history and the intentions for its future. There were tangential participants such as longer-serving employees who could tell me more about the evolution of the induction process (there is a reliance on corporate memory for this - not easy given the high turnover of NOW: Pensions). To be truly participative, I had to consider participants as equals rather than people who could be 'done to'. I achieved this by treating everyone's comments as valid rather than subverting them to preconceived ideas.

It was harder to achieve the third component – concurrency with action – because, as in all businesses, there are projects which must take priority. There were two tangentially related projects to which NOW: Pensions was devoting all its resources. The first was making improvements required by the Pensions Regulator; the second was the authorisation project. All master trusts must apply to be authorised under the new regime; those who do not succeed MUST be wound up. This involves moving all members to another scheme, allocating all assets and closing the company, with the loss of all jobs. This is not particular to NOW: Pensions; ALL master trusts are affected. Any projects not directly relevant to the Pensions Regulator-driven changes or to authorisation were backgrounded.

I had hoped to work with the HR department to develop a revised presentation and test it, but with the demands of authorisation, this was not possible within the timescale available. Steps were taken to begin the revision process, but resources for non-crucial projects would not be available until NOW: Pensions had received accreditation.

The fourth component is that a sequence of events must be followed, giving an approach to problem-solving. I have already explained the steps that I took and their order. My approach to problem-solving is to use a grounded theory approach; to see what the interviewees had to say and use these data to

create new knowledge. This produces a solution which has the potential to be more appropriate than those often generated in the pensions industry – when it is guessed what people want. For example, I was seconded to a DWP project for an afternoon. The DWP had spent much time using ‘experts’ to create literature explaining how the new state pension would be calculated. The testing on real people had been left to a very late stage in the project, and when it finally happened, the literature tested very badly. The DWP had produced the documents that they *thought* people wanted, rather than the ones that they actually wanted. Having witnessed this first-hand, I planned to avoid the same mistake in my own project.

### **First Person Action Research**

As explained earlier, First Person Action Research (FPAR) is a sub-category of Action Research and has the same objectives as AR, which are to have both a practical and a knowledge outcome, while also requiring the researcher to enquire into their own actions.

Key to this approach is writing autobiographical material, and I fulfilled this by keeping a journal of reflective practice throughout. Whenever I acted, I also reflected, and tried to understand the motivation behind my actions. This became a powerful tool to improve my performance. I continually asked myself what my motivations were, and why I had responded to stimuli of all sorts in the way that I had. For example, if I had held a conversation that had not gone to plan, or if I found that I was particularly resistant to doing something, I tried to reflect on it and dissect it until I had found out the root cause and was able to formulate a plan to resolve it.

### **Exploratory research**

I feel that I satisfied the requirements of exploratory research as I have mapped out an area which did not appear to have been covered by other researchers. I carried out a search of the literature, bringing together what little had already been done, and then completed a series of semi-structured interviews, clearing away some of the ‘noise’ so that others could see the landscape more clearly and giving them sufficient background information to decide whether it would be worth researching an issue or not.

I think that the interviews served to illustrate that there is merit in exploring further people’s feelings about retirement, so that it can be determined how best to shape the interface between the pensions industry and the individual to maximise good outcomes.

## Philosophical underpinning

A feature of FPAR is transparency and honesty about any difficulties encountered. Undertaking this doctorate has increased my observational skills to the point that an analytic lens has been added through which I now view everything I do in my current role. I do not think that I am unusual in finding this component of the process the most baffling. From what I have read, it is something with which many students struggle. I revisited this topic on five occasions; first, because I knew that my research would be incomplete without it because it appeared to be a core component; second, because I could not write about it competently without a better understanding; third, because I still did not feel that I had adequately understood it; fourth, because I had become aware that it should be integral to the whole project rather than a bolt-on or tick box; and fifth and finally, to check that my understanding of it was correct. As previously mentioned, it took time to get to grips with it as I was hampered by the different ways in which various commentators used the terminology. Some conflated terms while others had different definitions for them. I found particular confusion associated with 'methodology' as this was variously used to encompass the whole project from beginning to end, including, but not limited to, the philosophical underpinning, or to refer more narrowly to 'a collection of methods'.

However, due to my readings and re-readings of various sources, and my determination not to give up until I was confident with the subject matter, I eventually realised that I had been following a grounded theory approach.

At the outset, there were an overwhelming number of -ologies and -isms, and I found it impossible to take a step back from the confusion to discern the overall relevance of a philosophical underpinning, and its relation to what I was trying to do. I came to the academic component of the research project as an outsider in that I stood outside the academic community. I had a brief spell of sporadic contact when I was completing my Master's, but with distance learning, it was hard to become immersed in the academic community. My background is in the financial services industry, and I have accumulated solid of knowledge and experience, evidenced by my acceptance as a Fellow of the Pensions Management Institute. Fellowship requires the demonstration of three things: an academic component as would-be Fellows must have passed the Advanced Diploma (a nine-part series of exams held to be the equivalent of a first degree); to have accumulated five years' continuous professional development, evidenced by attendance at accredited seminars and industry events; and must have undertaken activities going above and beyond normal working life. In my case, I am a volunteer adviser for Pensions Ombudsman's early resolution service, using my expertise and knowledge to resolve dispute cases in my own time.

My bias at the outset was very strongly towards a business perspective rather than an academic one. The tenets of AR are that the academic project and the business project should progress in tandem, implying a 50% share of importance to each. The tenets of the professional doctorate are that three things should develop – an academic project creating new knowledge, a real-life contribution to practice and also development personally and professionally, implying that each component should be afforded 33% of time and effort.

It was clear that the academic segment would require proportionally more work to get up to speed as it lagged far behind my professional knowledge and ability, and my propensity for self-development. It was therefore incumbent on me to work on my academic knowledge and learn the sort of things that I felt ‘an academic’ would be familiar with. The most obvious element that I lacked was the understanding of the philosophical underpinning.

This is a vast subject, and an enormous amount of time and effort has been put into studying it as a topic in itself. A lot of papers have been written and academic debates entered into which seek to define and delimit a whole range of phenomena. The strengths and weaknesses and the validity of each appear to be hotly and passionately debated. Although it was all very interesting, there was simply not the time to pursue the topic in as much detail as would have been possible, had it been my sole field of study. Instead, I used the pragmatic approach of picking through what I had read, and winnowing out the components which were needed, firstly, as they were received components of a research project and could not be left out and, secondly, to find some perspectives which might be of actual use.

### Reflective practice

In the Knowledge Landscape (Chapter 2), I noted how I initially resisted reflective practice as, to me, the word ‘reflection’ had overtones of self-indulgent introspection and a lack of forward action. After I saw that it was a workable approach, however, I took it on board. There follows an entry from my journal which show how using it continued to help me to develop; further entries can be found in appendix 8. I should add that I have continued to keep the journal to this day as I find it a valuable tool for problem-solving and self-development.

#### **31 August 2016**

I think the way forward is to proceed with frequently updated to-do lists, augmented with regular progress update meetings. I am less likely to get disheartened if I am receiving regular encouragement, and if I know that I’m going to have to explain my progress, or lack of same.

So, on today's list we have contacting Train Man and Irish Life. I am worried about Train Man – I've intended to speak to him several times and haven't been brave enough. But if I want to get this research off the ground, then it's crucial that I overcome my shyness and just crack on with it. This also represents personal growth as I'm pushing myself outside my comfort zone. It will have a knock-on effect to the succession planning – I am now being groomed to take over from the current PQM MD, and it's my personal skills that I need to develop. Anything like this (a challenge outside my comfort zone) has got to be a good thing and represents definite progress.

I actually managed to speak to Train Man (Simon) and he was receptive to my approach. I do seem to have a modicum of interpersonal skills in that I knew how to trundle the conversation along in an engaging manner before turning it towards research. HE later found ME on LinkedIn and he may be willing to help me with my research.

I also tracked down an Irish Life person on the CRM database. I was hesitant about contacting them as I shouldn't really be using the PLSA's client database for my own nefarious ends and I was worried in case he's friends with Joanne and rang up to complain about me. However, I added a disclaimer about being independent and not working on behalf of PQM or PLSA.

### Comparison with established theories and ideas

There were no established theories and ideas that I could find with which I could compare my findings. When carrying out the research, I was worried by this, but as I will explain below, I discovered once I had finished my research that it had been carried out broadly in accordance with the principles of a grounded theory approach. This approach discourages the perusal of existing theories and ideas in case they prejudice the researcher, and so it could be construed as a positive that there were none that I could find in the same field.

### Similarities and differences with previous research

There were no similarities or differences as I could find no comparable research which had been carried out in the same field.

### Reflections on appropriateness of methodology and data collection techniques

My methodology and data collection techniques were chosen after doing much reading and carrying out a great deal of thought. The adoption of a philosophical underpinning (a pragmatic stance, with an inclination towards constructivism and a strong leaning towards a qualitative approach) has been explained in the Methodology chapter, where I also explain my reasons for selecting the semi-structured interview to gather data.

There is nothing that I would actually have done differently, with the benefit of hindsight. The questions that I asked generated the right sort of data; the interviews generated a volume of data that had depth yet was manageable; my activities have resulted in the research question being answered, as well as bringing about improvements to real-life practice and helping me to develop as a professional. It would be expedient to repeat the research using an employee base from outside the financial services industry, but I could not have done this for reasons of access and resource.

### Effect on professional practice

I fed back my research results to the communications department responsible for producing the benefit statement to avoid time being wasted on minutely adjusting wordings when the results showed that this is unlikely to have much effect. Staff turnover at NOW: Pensions was brisk, and I overheard two members of staff who did not know who I was discussing the benefit statements. They were concluding that a more pragmatic way forward would be best as 'research' has shown that people do not really read them or take much notice of the wording. Already, NOW: Pensions was beginning to innovate in its quest to improve member engagement. For example, having understood the extent to which benefit statements go unread, it was exploring other mediums and was about to launch a short video designed to illustrate to members the benefits that can be gained through paying a little bit more into their pension scheme on a regular basis.

NOW: Pensions was in the process of producing an app which would allow members to access information about their pension savings in a quick, easy and interactive way. The app was to have features such as allowing members to carry out 'modelling', assessing the effect of increasing their contributions, delaying their retirement or many other options. The initiative was postponed as there were more pressing commercial priorities for the business. When the business had reached a comfortable status quo, the app project was resurrected as it was recognised that the younger generation, to quote interviewee 15:

...we're basically guess you could say, addicted to computers and phones and all that kind of thing, so having it on there means at least we can access it, so like, knowing we can access it is good.

Thus, my project has influenced the UK's third largest master trust to amend its engagement policy to be more in tune with what members actually want and need.

My research helped the business to determine where its energies could best be spent. There was no point channelling time and money into the ultimate fine-tuning of the benefit statement when it would appear that the 'perfect' statement, the silver bullet which would lead to greater engagement,



simply does not exist. It would be a better use of resource to spend a reasonable and proportionate amount of it on a statement which is fit for purpose and which satisfies disclosure regulations, and then to develop more innovative tools which might have a better chance of engaging members.

It would have been possible to obtain accurate metrics by tracking the number of people who viewed the video and who used the app, and this would have helped to gauge the extent to which they were used – although unlike this research, it would be hard to determine qualitatively whether members' feelings were affected by either.

The 'Pensions Roadshow' initiative, whereby NOW: Pensions goes out to employers' sites and carries out presentations, was reinvigorated, and my findings contributed to its relaunch. The finding that a face-to-face presentation is an effective way of changing employees' feelings towards their pension savings may be included in future promotion of this service.

I have contacted the authors of a recent CBI report to make them aware of my project, which reinforces some of their findings, but from an employee rather than an employer focus, in the hope that we may be able to work collaboratively on similar projects in the future.

I have also contacted the founders of the simplified, universal benefit statement project to advise them that I have completed my research, and that I would be happy to share my findings with them. I hope that I will be able to work with them to help in bringing their work to a successful conclusion.

As this is a practitioner doctorate for professionals, a core component is not just the effect on professional practice that this research project has had, but the effect that the research project has had on my personal practice. From the outset, I was expecting this to be 'a journey', but I could not possibly have predicted the magnitude of this journey and how life-changing it would be. The literature review section explores the 'personal development' aspect; however, it is only now that the project is drawing to a close that it is possible to get a complete perspective on this.

I will not repeat my earlier comments on personal and professional development but I would like to expand upon the changes which have occurred between writing the literature review and putting the final touches to the dissertation. I have learned to tackle a very big writing project with confidence. In the earlier stages, I was determined but awed. I read widely – not just on how to write a dissertation but also on how to get to grips with very challenging projects – and learned some techniques that I can use in other aspects of my professional practice. There have been three main learning points. The first is that a feeling of being paralysed with the sense of being overwhelmed is inevitably caused by the project being broken down into steps that are still too large. The technique to cure this is, I have

learned, to break each stage into smaller and smaller steps until suddenly they appear bite-sized enough to be achievable.

As I have said earlier, NOW: Pensions at the time was in process of applying for authorisation; this was by far the biggest and most consequential project that I had been faced with in my career since if NOW: Pensions did not achieve authorisation, it would have to wind up. Whenever I felt overwhelmed with its magnitude, I simply broke the steps down into smaller and smaller ones.

The second lesson I have learned, or had reinforced, is the power of persistence. No matter how much work there is to do, if one chips away at it in lunchtimes, every evening and every weekend, it will get done. There is no such thing as 'free time' or doing work when one 'gets time'; time needs to be made. I applied this to my work. I had a spreadsheet of all my major strands of work, and every Friday I went through each strand and updated where I was with this. Sure enough, every week I had progress to record against each strand.

The third learning point that I use every day in my professional practice is the quiet confidence of knowing that I am capable. This course has faced me with a series of challenges – from getting admission to it in the first place to learning about the nature of research, having to produce a large written body of work and preparing for a viva examination. Having tackled something like this, I am more assured in my day-to-day work that I can overcome any challenges.

### Contribution to understanding phenomenon of resistance to engagement in pensions

ER1 stage of my research uncovered that people are just not interested in pensions. Their attention is elusive and there is a disappointing lack of desire to contemplate the topic. ER2 stage of the research confirmed that even people who work in the industry are not that interested, barring those who are getting near to the time when they could retire. Face-to-face contact can make a measurable difference to people's feelings towards pensions, but the increments are not overwhelming.

I have now gauged the depth of resistance to engaging with pensions and found that it is considerable. Pensions have the reputation of being boring, and this cannot be conquered by merely amending the content of paper documents. Resistance might be conquered by face-to-face interventions, podcasts, spoken statements and other innovative and more interactive approaches.

The pensions dashboard (mentioned by several interviewees as a potentially useful tool for engagement) is coming soon but a trial has shown only six out of 10 pensions are picked up. For those wanting to get a picture of their total savings, this would be like reading a book where every other page was missing.

## Contribution to practice knowledge

Now that there is awareness of the depth of resistance to engagement, it is possible to give greater weight to alternative solutions from a research-backed position. If it is not possible to increase engagement, then the opposite solution becomes more attractive – harnessing inertia and improving defaults so even if people take no interest at all in their pension savings, they are still likely to get a good outcome.

There are a range of measures that are either in the pipeline or already available. These include the tightening of the controls around default funds – for instance, in 2015 the FCA capped the charges which could be levied on a default fund. The FCA is also implementing ‘investment pathways’ for customers who are heading towards the purchase of a drawdown product, as follows:

- Option 1: I have no plans to touch my money in the next 5 years
- Option 2: I plan to use my money to set up a guaranteed income (annuity) within the next 5 years
- Option 3: I plan to start taking my money as a long-term income within the next 5 years
- Option 4: I plan to take out all my money within the next 5 years

I have discovered that it is probably not worth providers spending a lot of time on wordsmithing pension statements. For the same reason, providers should not be hesitant in trialling the new simplified statement/one-sheet statement as even if it is not well received, it is unlikely to cause detriment as engagement is already so low.

During the course of my research project, I have worked for three different employers and found that none of them were really keen on insider research. They prefer people to do the jobs that they are employed to do, and have little interest either in the self-development of the employee or in the generation of new knowledge. If I were to carry out another project as an insider researcher, I would take this into account and think of how to address it at outset.

I was surprised to discover that there is no dedicated literature on pensions engagement, despite the industry being obsessed with it. In the February 2020 In a recent edition of PMI News ), there is an article entitled ‘How to solve the engagement problem.’ Every seminar has something on engagement and how to get people engaged, and the frequency with which the theme is repeated shows that little progress has been made. This gives credence to the argument of just having good defaults, such as those currently being implemented by the FCA, described above.

My research legitimises this route. If it is not possible to increase engagement, then good defaults are another way to achieve good member outcomes. If a member does nothing, they are put onto a default pathway that is likely to give them a good outcome. This is not giving up on engagement – I have shown that it might be a lost cause, so instead of wasting further resource on it, providers could use inertia as a positive force (as has been done with auto-enrolment) by defaulting members into well-governed pathways.

## Limitations

It was clear from the start that I would have to restrict the scope of the research to make it achievable within the time and the level of resource available (feasibility and accessibility). Restrictions were also necessary to ensure that any issues that did emerge could be investigated in sufficient depth.

The essence of the study was to gauge the extent to which an employer intervention had an effect on employee engagement with their pension savings. To be more certain that any findings could be attributed to the intervention, I restricted interview subjects to the same employer, and chose NOW: Pensions for ease of access.

I decided only to review the effects of a face-to-face intervention. Other employers carry out different interventions - money awareness weeks addressing a range of topics including other savings products and managing personal finances; email campaigns; attaching information on the pension scheme with payslips. NOW: Pensions only carried out face-to-face interventions; this provided an ideal focus for study as it was a completely different medium from the already investigated benefit statements.

I decided to restrict interviews to twenty people – ten who had not had a presentation, and ten who had. This was a deliberate choice after I had carried out the pilot process when it became apparent that any more than twenty interviews would generate an unmanageable amount of data, both in terms of the transcription process and the depth of analysis. However, because of the relatively short period of time over which the HR department made the presentation to newcomers, and their subsequent decision to suspend it pending review, discussed in detail later, I could not balance the numbers exactly, and therefore interviewed seven staff who had been given the presentation and thirteen who had not.

Originally, I hoped to carry out a longitudinal study by interviewing participants both before and after the intervention, and again six months later to gauge the longevity of any changes in attitude. However, this turned out to be unfeasible because of HR's decision to suspend the presentation and the effect of the interview process on participants, as mentioned above.

It was hard to find two comparable groups, one of them comprising people who had been given the presentation, the other people who had not. NOW: Pensions employed a wide range of staff at all levels, all of whom have very different backgrounds, can be in very different salary brackets, and may have very different levels of knowledge about pensions, from none at all to being a Fellow of the Pensions Management Institute. Given the relatively small sample size, which was at the same time the biggest sample size that it was feasible for me to deal with, taking into account restraints in terms of both time and availability of personnel, it was not possible to ascertain with any confidence whether pre-knowledge of pensions was as much, or more of, an indicator of a respondent's feelings towards pension savings than having been given the presentation.

However, three things that all interviewees did have in common were that they worked for NOW: Pensions and therefore could be considered to have a higher awareness of pensions than the general public; they were in full time employment; and they were of working age. If any other differences in background were to have been taken into account more explicitly, then the study would have turned into a different sort of research project altogether.

### Sample size and selection

Everything that I had read about sampling stressed the importance of carrying it out in a stratified way with the control group matching the group that had received the intervention as closely as possible so that any difference can be more surely attributed to the intervention and not to differences in the make-up of the groups.

This proved to be impossible. NOW: Pensions has a brisk turnover of staff, and the age-profile was therefore in continuous flux. Also, the employee presentation had been discontinued, so it was getting harder to find staff who had attended it. Many staff were unavailable to me due to the nature of their work since there are strict metrics attached to the call centre and the absence of one member of staff, even for a short period of time, could be problematic as it might have an impact on a department's achievement of the service level agreement.

I therefore had to start interviewing based on staff that were available to me, although I did my best to find a reasonable cross-section of interviewees. I interviewed the company's youngest employee as well as some employees who were over the minimum age for retirement; junior staff; and two directors. This was by no means ideal, but the real world seldom co-operates conveniently with the more idealised world of research, so I had to go with what I could get.

## Key challenges faced

I have faced several key challenges in this project, all of which I have had to overcome. The first was my inexperience as a researcher. I had to climb and conquer a steep learning curve in respect of the design and execution of research interviews, and how to transcribe and code the interviews. None of these was achievable in one bite. With all of them, I read as much as I could about them, and then just got started. I believe that the only way to get experience is literally to get experience. Once I had had a go at each item, I was then able to stop, reflect (often at length), re-read any explanatory texts and then carry on, improving my practice. My learning journal was also very useful; when revisiting it, I could see that I had previously despaired over all sorts of challenges, such as speaking to people at a Pension Quality Mark social event, and then overcome them.

Another challenge was in procuring interviewees. Some staff members at NOW: Pensions were simply inaccessible as they were on the phone all day and not allowed to move from their post. And every time I approached someone, I had to overcome my reluctance to do so. This surfaced again when I had to schedule a time and actually go ahead with the interview. I did enjoy speaking to the people but at the same time I heartily disliked the process and was very, very pleased once I had finished the interviewing part of the project. It should be noted, though, that I set out to carry out twenty interviews and I did in fact do this.

It is never far from my mind that the third pillar of the professional doctorate is self and professional development. I would not be getting the most out of the process if I shied away and avoided anything that I did not want to do. I was therefore aware that the act of doing something that I did not want to do was in itself a form of self-improvement. I was not sure whether my skills as an interviewer had improved, and I had not really thought about it specifically until, as mentioned in my learning journal, I was on an ISO: 9001 (2015) course where I had to take on the role of interviewer. I was not overjoyed at the prospect, but slipped smoothly into interviewer mode without having to make much effort, doing what had to be done, which suggests that it has become very much less of a big deal to me.

There was also the challenge of time. As Head of Risk and Governance, I was in a demanding full-time role, more so as a senior conduct risk manager, and there is always a justification for not working on the project. For example, I might have had a board meeting, be generally tired, or felt that I 'deserved' a break. However, no matter how justifiable 'taking a break' can be made to seem, there was a volume of work that needed to be done and the only way to get through it was to stick at it. I therefore made sure that I worked on it every lunchtime, every evening, and every weekend in order to maintain momentum, keeping lists of things to do so that I could monitor progress by ticking them off.

One challenge that cannot be resolved is to ensure that the second pillar of the professional doctorate – to achieve a change to practice – is perpetuated as I have moved on from NOW: Pensions. For the purposes of NOW: Pensions, the Director of Communications had expressed great interest, both in the earlier part of the work in which I found that time spent on refining benefit statements beyond the statutory requirements is probably time wasted, and in the later part when the effectiveness of a face-to-face presentation is gauged. The HR department was also interested in the second part and said that my findings would be useful when they are formulating the new induction process. NOW: Pensions offers employee engagement services to our clients, all of whom are good-sized employers, and this research project could have been used as a basis for convincing employers to invite NOW: Pensions to carry out presentations.

There is also the issue that I interviewed employees working for NOW: Pensions. It might be instructive (although probably not feasible) to repeat the exercise at a company which is outside the financial services sector and which already includes a presentation on the staff pension scheme as part of the induction. Originally, I did want to do this but, sadly, had to discount the idea for reasons of access. It would also have generated a great deal of work in terms of carrying out interviews, transcribing them and analysing them, and then comparing the results with those obtained from NOW: Pensions. I think that this would be an extremely interesting undertaking and would also allow the results to be generalised with greater confidence as they would apply to the public at large rather than simply to employees of an employer in the financial services sector. However, I simply did not have the resource to pursue this.

The interviews covered more ground than just the research question, and it is likely that some of the comments made are insightful enough to form the basis either for an article or articles in industry magazines or even for a short presentation at an industry seminar. It is quite feasible that the results of this research could eventually reach a large number of people.

As I have previously said, the majority of research into pensions has been quantitative and questionnaire-based rather than qualitative. Having carried out this research project, I am now better able to understand why this might be. Interviews are very time- and labour- intensive to carry out, and few companies are prepared to dedicate the resource to an activity which is unlikely to translate into greater profit. My study is therefore unusual because I have been able to engage with people in a one-on-one manner.

## Chapter 8: Recommendations

### This project's place in, and its potential contribution to, the general research area

In Section 1 of this Chapter I present recommendations directly related to this research. In section 2, I present updates on the wider issues, the new initiatives underway in the sector and I link them to the work of academics in the field cited in the literature review.

Since completing this research I have been able to transfer my skills and learning into a more senior role in Legal and General that puts me into a position to contribute more effectively to the progressive changes being proposed and applied by Legal and General relating to pension engagement particularly through new thinking and new technologies (also see Section 2 of this Chapter). I am particularly interested in the value of research to support any change initiatives and I am optimistic that I have made a good case to my current employers of the value of harnessing the knowledge of both academic researchers and senior practitioners' expertise to this cause of pension engagement and related matters. This comes out of my own experience in engaging in practitioner research with academic researchers. This Chapter also gives me the opportunity to update ideas from the practitioner perspective that may find their way into trainings of existing and prospective pension and financial advisers, policy makers and academics.

### Section 1

This section focuses on a distillation of the main findings, which have been presented in detail in Chapter 7, and are tabled here as recommendation. These include actions NOW and others in the insurance sector might take to improve pension engagement for employees with considerations on policy and how research might help in the future. These are small but important steps that have a chance of making some improvement on the existing situation. I would like to reiterate here my acknowledgement of NOW's supporting me to do this research.

### Recommendations directly related to the research findings

Table 8

Individual Employees	Employers	Pension Companies (HR and Compliance)	Policy	Researchers
Attend offered presentations to gauge realistic retirement age	Provide employees with presentations that can be engaging and interactive (not	Adopt an upbeat message to younger prospective savers – <b>'how you can control</b>	Accept that refinements to <b>written statements are of minimal</b> incremental	Building on 'nudge' principles, and real-life story telling, <b>identify how real-life</b>



	wordy) by reallocating <b>resources from the fine-tuning of written materials</b>	<b>your destiny'</b> rather than portraying the <b>grim threat of retirement poverty</b>	value and turn to <b>encouragement to the industry to seek improvement in engagement through presentations</b>	<b>examples can trigger better decisions</b>
	Harness employee understanding of pensions as a <b>tool to promote staff retention</b> (see below). <b>If employees do not understand the value of their employer's scheme, they will not appreciate it.</b>	Address 'them and us' perceptions prevalent in the industry which can defeat or confuse customers and <b>replace with a 'we can do this together' attitude</b>	<b>Monitor the efficacy of the new body MaPs which has been set up and addresses the issue of the misnomer of a Pensions Advisory Service not being recommended to give advice, confusing and letting down the public (see further on in this Section)</b>	Further research from other practitioners using some of the directions and ideas of this work to validate or improve on my findings using a <b>larger sample, possibly non-FS, and broken down by age and gender</b>
	Tailor information to <b>better reflect age groupings</b> , rather than generic messaging	<b>Measure customer service</b> and show that the results are implemented to generate improvements	<b>Guidelines on customer service audits and demonstration of responses to customers' concerns</b>	<b>Compare and contrast age groupings</b> and their responses to pension engagement
	Consider more broadly a duty to <b>make affordable financial advice available to their employees</b>	Seek tenders for preferred suppliers		Carry out impact studies on all new initiatives

Historically, the majority of research into both employee engagement with, and their overall interest in, pension schemes has focused on quantitative outcomes. An example of this is Warburton's, a baking company with 4,500 employees. The company was founded in 1876 and, after expansion during the early part of this century, now has a 24% share of the UK bread market<sup>22</sup>. They carried out an exercise in 2012 whose aim was to promote member engagement with their pensions. The results

<sup>22</sup> <https://en.wikipedia.org/wiki/Warburtons>

were quantitative and showed that simply carrying out the exercise led to an increase from 2% to 41%<sup>23</sup> in the share of DC members taking investment decisions. It should be noted, however, that while this twenty-fold increase is significant, it is not necessarily a good thing since there was no research into the quality of the decisions.

By contrast, NOW: Pensions' investment team reasons that allowing members to choose which investment funds they want their savings to be placed in can be inappropriate and potentially dangerous and would pass across to scheme members what might be seen as an unwelcome responsibility. NOW: Pensions' scheme therefore has only a default fund, meaning that members are not able to select their own investment funds which seems a positive move. This is because NOW was primarily set up as an automatic enrolment scheme, and the profile of this membership is the less well paid who are only in a pension scheme because they have been 'conscripted' into it and who are unlikely to want to be actively involved in choosing investments.

NOW: Pensions is concerned about the ability of scheme members to make sound decisions if left to their own devices. This is because they might be unduly influenced by a small loss and might be tempted to move out of that fund, crystallising their loss, rather than waiting for the market to pick up. They also might do the opposite, which is to stick with their strategy blindly through thick and thin. This polarised approach can be attributed to a lack of confidence and experience. Thaler and Sunstein (2012) show that although aversion to making a potential loss can be a major factor behind people's aversion to switching (not just in savings - think utilities), there is also a deep-seated tendency for people to stick with their current situation or provider. 'Better the devil you know' may be a cliché but it still holds. This phenomenon, which Samuelson and Zeckhauser (1988) dub the 'status quo bias', is displayed in many situations. Specifically, in retirement savings plans, most members who have a choice tend to pick an asset allocation, and then forget about it despite any changes that might occur to their status, or that of their asset, over time.

This failure to take account of a changed environment is not confined to members of pension schemes. As the economist Keynes allegedly said, 'When the facts change, I change my mind'<sup>24</sup>, a sentiment that is pertinent to pension investments where a short-term failure to recognise that things have changed can lead to long-term and lasting pain.

Numerous experiments have shown that losses loom larger than the equivalent gains – for example, those carried out by Cialdini (2007) which show that the pain of losing is greater than the pleasure

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<sup>23</sup> <http://www.pensions-expert.com/Special-Features/Case-Studies/Warburtons-drives-huge-rise-in-member-engagement?ct=true>

<sup>24</sup> <https://quoteinvestigator.com/2011/07/22/keynes-change-mind/>

obtained from gaining an equivalent sum. One source of this mismatch may lie in people's inability to comprehend numbers of any significant magnitude. In the early 1970s, following their experiences of people's innumeracy, Kahneman and Tversky (1972) formulated the notion of cognitive biases, defined as an inability to reason intuitively with the greater orders of magnitude. (see Section on Cognitive Bias further on). In relation to my research, this cognitive bias, translated to pension savings, implies that people are likely to be distressed if they see that their pension savings have fallen in value as can be seen from some of the comments made in my research interviews. As one respondent (interview 1, M, 30-50) put it:

...that's why I don't like looking at it [the benefit statement] because it might disappoint me. There's no point disappointing yourself.

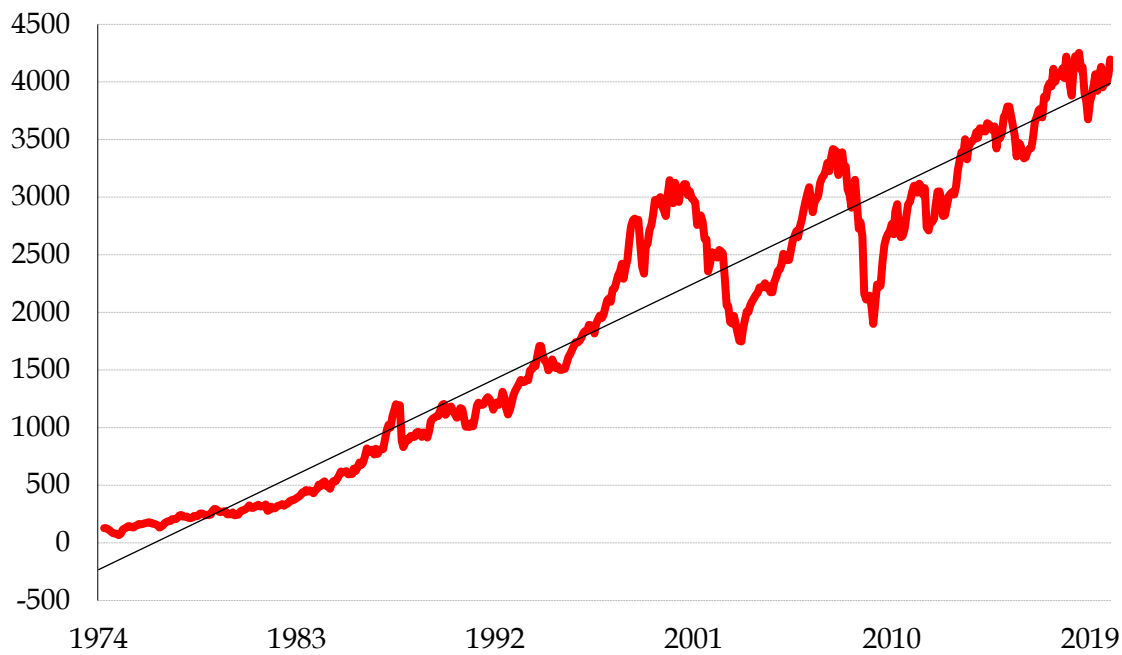
Or, as another respondent (interview 19, F, under 30) added:

...in the meantime, the market can crash and all my retirement saving turn to zero...

In the real world, the stock markets and other monetary indicators, and therefore the pension monies invested in them, tend to move in a generally upwards direction. As an example of this, Figure 10 overleaf charts monthly movements in the FTSE All Share index between 1974 and the end of 2019. It can be seen from the solid trend line that the long-term overall direction is indeed upwards. However, this upward trend includes significant downturns, and misfortune with timing has the potential to upset all investors, not just the inexperienced.

**Figure 10**

## FTSE All Share Index 1974-2020



Source: I SE

As noted above, because behavioural research has shown that a monetary loss distresses people more than they are cheered by the equivalent financial gain, a member seeing that their pension pot has decreased in value is likely to feel disillusioned. Such Graphs could be used as part of presentations to employees on pension engagement and allay fears by contextualising what happens in markets generally. The graph shows that in general, shares tend to increase in value with time, even if there are frequent fluctuations. Financial professionals are aware that even if there is a short-term drop, for example as occurred in 2010, the overall trend is upwards. However, a non-professional might be dismayed by a short-term fall, thinking that it is a serious matter rather than just the normal up and down nature of the market. As I pointed out in my research, there have been a series of scandals which may cause the non-professional to doubt that the market will recover, as their confidence may have been rocked by having read that others have lost their savings. This could cause the lay investor to panic and withdraw funds after a drop, rather than waiting for the market to correct itself. It could be pointed out that even with scandals the FTSE shows the ability of the market to regularly rectify itself. This could inspire more confidence in employees, the only issue would be length of time it takes to recover from events like the 2008/9 credit crash which was an unusual and global occurrence and time for the transitional generation (see Section 2) is not what they can spare. The following part of this Section draws attention to some research much more is needed with regards to the pension industry.

## Cognitive biases in investing

In the 1990s, Charlie Munger (who, with Warren Buffet, runs Berkshire Hathaway) spoke at Harvard about cognitive biases in a talk on 'The Psychology of Misjudgement'. There is no room to discuss his talk in full but from his list of twenty-five factors, number twenty-three, relating to people's common habit of overstepping their circle of competence with excessive self-regard leading them into taking on something they are not ready for, deserves mention.

The position taken by NOW: Pensions accords with this. NOW's view, set out in a booklet for scheme members explaining their investment proposition<sup>25</sup>, is that the majority of people saving for retirement are more comfortable knowing that not only is someone else managing their investments but that that person is better qualified to take responsibility for their long-term savings needs than the member themselves would be if the onus were transferred to them. This is NOW's commercial policy, and the decision to follow this approach was made at outset and before my employment with them, as they felt that this would give them a unique selling point in the market.

The booklet further explains that those few members who do switch their investment funds may find themselves chasing the market. The buy-high/sell-low mentality of even the most experienced investors is well documented and pension scheme members who do make active investment decisions, however seldom, will often fall into this trap.

The implication is that simply evaluating a change in member behaviour using statistical information does not necessarily correlate with them obtaining better outcomes. It may seem unequivocally good that Warburtons saw a rise from 2% to 41% in the share of their pension scheme members making active investment decisions, but this may actually be a poor outcome for the financial well-being of those members if they are 'chasing the market' in the way described above.

My project therefore focused on exploring the qualitative side of members' engagement with their pensions. I sought to uncover what difference a face-to-face intervention by employers could make to how existing members and employees not presently in the scheme feel about retirement saving and, specifically, about their own pension savings.

## Implications for scholarly practice

'It's all very well in practice but does it work in theory?' has been attributed to so many people, most often economists, that it has become a cliché. It does, however, contain a grain of truth: this research

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<sup>25</sup> <https://www.nowpensions.com/wp-content/uploads/2015/09/Investment-proposition.pdf>

has always kept in mind the focus of producing practical outcomes. It is therefore pleasing to conclude that there are definitely scholarly implications for what I have done.

Scholarly implications can be divided into policy, practice, theory and subsequent research, and there is something worth saying for each category. However, due to the nature of my research, with the intention always being to produce something of practical use, it seems to me that the policy and practice elements are intertwined to the extent of being inseparable. I will therefore treat them as a single unit.

## Policy and practice

There are two levels of policy – government policy and NOW: Pensions policy, and within NOW: Pensions, there were two types of policy – commercial and internal.

### Government policy: Managing retirement age

Taking each in turn, the government is concerned about the level of pension saving in the UK, and it is worried, with good reason, that people will not have enough money saved to be able to retire comfortably and when they want to. This failing is very likely to put a strain on the benefit system since more people will need to use it simply to survive. There are also implications for all businesses: now that the concept of a normal retirement age has largely been abolished, it is not (usually) possible to insist that staff retire at a set age (there are some exceptions, often related to physical requirements, but this is not the place to discuss them). Companies may find that they are saddled with ageing employees who have perhaps exceeded the optimal age for employment efficiency but who cannot afford to retire and who, if they remain in their posts, would make it impossible for those companies to hire or promote younger members of staff. This situation is frequently dealt with in the press including its significance not only for that generation who have fallen between the cracks (See Section 2) but for employment opportunities for younger people. For example, an article in The Guardian states, “The danger now is we will have a generation who really can’t afford to retire.”<sup>26</sup> And an article in the Actuarial Post says, “half (46%) of employees aged 21-30 are concerned about the impact of an ageing workforce on their career paths”.<sup>27</sup>

The government has tried to address this problem by implementing auto-enrolment, partly relying on member apathy to retain members in their pension scheme because it takes effort to opt out. However, any employees saving only the minimum amount are unlikely to achieve a successful

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<sup>26</sup> <https://www.theguardian.com/membership/2017/jan/23/saving-retirement-pension-generation-old-age>

<sup>27</sup> <https://www.actuarialpost.co.uk/article/50---younger-workers-feel-ageing-workforce-block-their-career-7890.htm>

retirement outcome. In order to persuade people to increase their pension contributions, therefore, an effective intervention is needed.

### The single-page universal benefit statement

My early research on benefit statements showed beyond all doubt that people really have no interest in pensions, and even less in reading bits of paper relating to them. There is a current initiative, on which I have been consulted, which has the aim of producing a single-page benefit statement. (It will in fact be a single *sheet*; I was intrigued to see how all the statutory information could be included on a single sheet of A4, without resorting to a minute and unreadable font, and was slightly disappointed to discover that the writers had also used the back of the page.) My research has demonstrated that this initiative is unlikely to have much effect on engagement. People are simply not interested in reading bits of paper. Even if the project does manage to produce a beautifully crafted, appropriately illustrated two-page statement, written in plain English and using every artifice from behavioural science and CDA, the incidence of people reading it is probably not going to be that much greater than it is for whatever statement they currently get.

Instead of wasting the talents of communications specialists and technical specialists from the pensions industry on something which is likely to be fruitless, the time and effort could be better harnessed to the production of something which, my research has shown, might just make a difference – a presentation to be delivered by employers. The ultimate aim with the one-(two-)page benefit statement was to persuade all pension providers to adopt it so that they were all using the same template. This could have been met with some resistance – pension providers might have decided that there was an opportunity to use the statement as a conveyance for advertising, brand awareness, getting across a message – and it might have been difficult to get them aligned outside of the means of regulatory coercion. In contrast, a presentation could be written with a core content to be kept the same and aimed at raising pension awareness among all new starters. That way, every time that a person changed their job, they would be shown the current version of the presentation, refreshing their awareness.

This is not without its issues – for example, some employers may not have staff available with sufficient knowledge of pensions to answer employees' questions. However, at least the medium is one which has been tried, tested and found to be effective rather than one which has been found to be the opposite.

## The pensions dashboard

The pensions dashboard is an initiative being pushed forward by both the government and the pensions industry. In the 2016 Budget<sup>28</sup>, the government made a commitment that Pensions Dashboards would be created by the pensions industry and was presented to the public in April 2017. The idea is for a person's pension information to be available in one place so that they can log into a portal and review all their pension pots from all their providers at once without having to log into each provider's portal separately. Industry figures think that it will be helpful for people to be able to see the total balance of their pension savings because it may lead to 'better understanding of their likely finances in retirement, based on their current situation, a clearer grasp of the need for financial advice, motivation to increase their pension contributions and more inclination to take a proactive role in managing their retirement'<sup>29</sup>.

I was involved in early scoping discussions regarding the dashboard project. The original intention was to use National Insurance numbers as an 'anchor' for a person's account, linking in all their retirement savings from different providers as well as their state pension. The project is currently experiencing a hiatus while the practicalities relating to the technologies are worked through. For example, there are issues relating to the safeguarding of information as well as how to ensure that all providers cooperate. A dashboard with only partial information has been compared by a leading industry figure to 'a book with every other page missing'.

The research interviews uncovered a great deal of interest in the dashboard. It was frequently mentioned by name by people who were already aware of the project, and more interestingly, the concept of 'being able to see all my pension savings in one place' was put forward by several people when asked to suggest things that might make them feel more confident about their retirement savings.

## Theoretical implications

A theoretical implication is what happens when a person either has a theory, or they can relate a theory to an issue which they have observed. When I embarked on this research project, my theory was that it would be possible to develop, by means of iterative testing, a benefit statement that would draw the reader in, becoming a must-read and thus improving engagement. This theory was quickly disproved when a series of seven experiments found that the wording of statements makes very little

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<sup>28</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/508193/HMT\\_Budget\\_2016\\_Web\\_Accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/508193/HMT_Budget_2016_Web_Accessible.pdf)

<sup>29</sup> <https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/>



impact on readers' perceptions. Having abandoned this theory as there was no point in devoting further time and effort to something that was clearly not going to work, I then turned my attention to employer presentations.

My research has demonstrated that a face-to-face presentation is a more effective way of promoting engagement than a written communication. From this point, I would further extrapolate that an even more personal approach might promote even better engagement. Several interviewees mentioned a lack of advice or that pensions companies are hard to get hold of, or that there is no-one to ask about things; this suggests that a presentation might be more effective if those giving it were able to answer factual questions. (It is not possible to give advice; in order to give financial advice, a practitioner must be authorised to do so by the Financial Conduct Authority, and authority is only given for specific products, a knowledge of which has to be proved. Organisations such as the Pensions Advisory Service, despite the name, are only allowed to give information, and not advice. If a person is confused about an issue, it is acceptable to give them full information about each option available to them, but it is not acceptable to tell them which option would be the best for them.) Indeed, a new body has been created, The Money and Pensions Service (MaPS) bringing together three financial guidance bodies: the Money Advice Service, The Pensions Advisory Service and Pension Wise. MaPS is an arm's-length body sponsored by the Department for Work and Pensions, established at the beginning of 2019, and also engages with HM Treasury on policy matters relating to financial capability and debt advice. This has removed a potential cause of confusion by eliminating the word 'advice'.<sup>30</sup>

So the theoretical implication is that people might be more engaged with their pension savings if they were able to go to an employee presentation where they were able to ask questions that were relevant to their own circumstances, or to ask for further clarification if there was something that they did not understand. I would be very interested to test that, bearing in mind that I have always been more interested in this research in how people *feel* than in statistics about what they *do* (increase contributions, use a website, update their expression of wish form, et cetera).

### Areas for subsequent research

The primary unanswered question is whether the effects that the presentation appears to have had on its audience are, in fact, replicable. The small size of the sample, driven by the reality of my own resources, does not permit me to rule out that it may be no more than a (fortunate) coincidence that the recipients' attitudes towards retirement in all its aspects do appear to have been affected by the presentation in a largely helpful direction. The possibility does exist, however, that the seven

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<sup>30</sup> <https://moneyandpensionsservice.org.uk/>

recipients of the presentation were that way inclined to begin with, and that their attitudes were no more than reinforced after they had received one. Finding a way round this will not be easy though there are three potential options for further research that come to mind.

**The first option** would be to significantly increase the size of the sample. In an ideal world, everyone at NOW: Pensions (the current workforce numbers around 160 people) should have been interviewed. Although the period of time that the HR department gave the presentation was limited, hopefully there would have been enough numbers in both sets of people to draw firmer inferences regarding the effects, or otherwise, of the presentation. Unfortunately, not only was this option unlikely ever to take place owing to the difficulty of obtaining permission to free employees from their daily work tasks, even if that permission were forthcoming then the resources required to carry out, transcribe, code and analyse the interviews would be even more difficult to assemble. Nevertheless, this option is one that might perhaps be considered and pursued in the future by an individual or organisation with greater funding and/or resources.

**A second option** would be to re-run the process at the same size but in another, preferably non-financial services sector company. The drawback here is that it would ideally also be a company where there was a mix of employees who had been inducted as regards pensions and who had not. Such an organisation may well exist but finding it would not be easy, let alone persuading it of the value of the research.

**The third option**, which is the one that I favoured and which there was the most chance of my bringing about, would have begun with my co-operating with NOW: Pensions HR department in the production of a revised presentation. This is impossible as I no longer work there but I present the ideas here for others who are turning to employer presentations to enhance engagement with pensions. One feature of the new presentation was to provide a greater emphasis on the ways in which an employee can improve their chances of a comfortable retirement. The presentation could be kept at its present length either by cutting down or simplifying the sections that currently focus more on the external state of the industry and the pensions market.

The next step in this option would have been to interview all new employees as soon as possible after they had begun working for NOW: Pensions. The interview could have been a cut-down version of the one that I carried out in my research, perhaps focusing at this stage primarily on how much the new employee had thought about saving for retirement. After they had received the presentation, they could then be re-interviewed with a slightly broader remit to see not only how the presentation might have affected their attitude towards funding their own retirement but also on the wider issues,

including those covered in my original research. The final step would be to interview these employees after, say, six months to see whether those new attitudes had persisted and whether employees feel that the presentation has had any impact on the way they now feel about retirement.

The findings from any such research could, given only a reasonable amount of luck, be analysed more forensically, and broken down by sex, age and any other relevant factors to the extent that the HR department might then be able to design versions of the presentation that could be more directly aimed at new employees depending on their position in life (an 18-year-old just starting out on their career will naturally have different interests and pressure points than someone twice their age, or older). This is a hopeful scenario but one which I believed at the time had a real chance of taking place.

## **Section 2: Updates and wider considerations: revelations which emerge in updating**

During the course of my research, I became increasingly aware that pension savers appear to fall into three camps. This has become more explicit for me since leaving my former employment. I have been able to stand back and further reflect on the wider issues from the perspective of my new role in the sector with its greater access to innovation and decision makers. **The first cohort** is those who are older and who have perhaps already retired and who fall under the previous regime, in which pension arrangements were defined benefit and people's pensions were worked out in a predictable way using a formula involving earnings close to retirement and length of service. The employer took the investment risk for these arrangements and was responsible for the costs, including the cost of longevity risk, and employee contributions (if they were required) did not reflect the true cost of the scheme. These people are the most likely to have a secure retirement, with the least shortfall between their financial needs in retirement and the payments being made to them.

**The third cohort** is those who are at least ten years from retirement. Those in this bracket are familiar with a world in which auto-enrolment and defined contribution pensions are the norm. These people expect to have to make their own provisions for retirement, and are also more likely to engage with technology. Having been brought up with online banking, they are more likely to feel comfortable with using an app – and indeed, are likely to expect their pension provider to have an easy to use app. They may therefore be easier to reach and to get engaged.

My current employer is actively trying to increase engagement, and is researching ideas used outside the industry such as the use of coloured envelopes to encourage members to open them, and the development of an app which will allow the generation which is phone-dependent to check their

pension savings, use a calculator to check the effect of increasing their contributions or check how much they need to save in order to reach a desired income, and be able to amend their contributions at a touch of a button.

**The second cohort** lies in between, and is comprised of those whom I have come to think of as the 'transitional generation'. The people in this bracket are within ten years of retirement. They were too late for the 'golden age' of defined benefit pensions, but when the shift towards defined contribution pension occurred, no-one really knew what effect it would have on the adequacy of pension provision and so it was impossible to advise them of the amount of contributions that they should be putting aside. In addition, when personal pensions first became available, and when it first became possible to opt out of an employer's scheme, it was at a time of high interest rates and high inflation and it therefore seemed extremely possible that a very good pension pot could be achieved with relatively modest contributions. For example, in the 1980s, the statutory percentages used to produce pension projections were 8.5% (lower rate) and 13% (higher rate) which seem ludicrously over-optimistic in the current environment.

This was exacerbated because pension salespeople would typically avoid showing prospective customers the true purchasing power of their pension pot at retirement, i.e. after inflation. They knew that a sale that 'solved' their clients pension planning by illustrating a six or seven figure fund at age 65 was easier to achieve than one that showed a material shortfall against a comfortable retirement. Eventually the regulators required inflation adjusted projections at which point it became harder to appear worth the effort of forgoing current income.

It seems to me that the transitional generation has fallen through the cracks; they were unwitting pioneers in the emerging defined contribution landscape, and now that the defined contribution regime has evolved, it is too late for them to make a material difference to their pension outcome as they simply do not have enough time left before retirement. The case for pension savings for this cohort was further weakened by the sustained growth in house prices. The case for ploughing any spare income into their next house purchase, thereby generating imminent and tangible tax-free growth, appeared far more compelling than a pension offering uncertain income decades away.

It would be understandable if the transitional group did not want to engage with their savings; having become aware that their savings are probably going to fall short of their expectations and indeed their needs, they may shy away from looking at the evidence of state pension statements and occupational

pension statements, reasoning that it is too late to do anything meaningful, so there is no point in looking. New developments such as apps and other devices intended to attract attention such as coloured envelopes may simply not be effective if these people feel that it is too late for them.

There have been recent efforts by the Financial Conduct Authority to at least help these people to make the most of the savings which they have managed to accumulate. It stipulated that with effect from February 2021 (the target date was previously August 2020 but this was pushed out due to the effects of Covid-19 on the industry) people entering a drawdown arrangement without having taken financial advice must be placed in one of four 'investment pathways', thus trying to ensure that those who have not made an active investment decision are more likely to obtain a satisfactory outcome. I am currently supervising a review to check that this requirement is being embedded correctly.

It may not be possible to help the transitional generation, beyond exhorting them at every opportunity to increase their contributions. The power to make a difference lies in capturing the attention of the third cohort, engaging them from an early age when they have the most chance to save for a secure retirement. These are the people who may be more amenable to engagement attempts – as they have time to make a difference to their savings.

### **Reflections on engagement with the literature**

Having engaged with the thoughts of academics who have recently had active engagement with the world of pensions and financial services, and having reflected on them at length, I feel able to put forward my ideas relating to some of the issues which they have raised. I am in a unique position to do so as I am now both a scholarly practitioner and an acknowledged industry expert in my field. The act of attending to the recommendations that came from findings in the course of doing research and the act of accessing a wide range of literature have provoked my thinking on the wider considerations of the sector, especially now that I am in a senior role at Legal & General. I am now giving consideration to the wider issues which are progressions of the matters which I have been researching. As a senior industry member, I feel that it is my responsibility to do what I can to influence the sector and to point out gaps that need to be addressed in ensuring that members get good outcomes. It is also an example of how the academic world can bridge more closely into the practice world to the benefit of both. Very importantly together they can better prepare and train young aspiring members of the sector which in turn will ensure better standards of communication and advice for future

generations of working people so that post employment they will have the chance of more productive lives and less dependency on the State.

Comment in the literature	My reflection and proposed solution
<p><b>Professor Prem Sikka</b></p> <p>“The administration strategy seems to have been carefully crafted to enable secured creditors and controllers of Bernard Matthews to extract maximum cash from the company and dump the pension scheme and other liabilities.”<sup>31</sup></p>	<p>When a large employer finds itself in financial difficulty, in my experience the pension scheme does come a long way down the list of creditors. I think that when a pension scheme is at risk, there needs to be earlier, firmer government intervention. It would not be overstating the case to say that a working group of industry experts could be put together to investigate the feasibility of enforcing the employer covenant when the scheme is in danger of collapsing, i.e. by preventing the employer from simply walking away, and thinking of how a collapsed scheme could best be re-funded.</p>
<p>“No attention has been paid to the hardship caused to retired and existing employees.”<sup>31</sup></p>	<p>There is already a Pension Protection Fund (PPF) in existence, to pay pensions for those whose employer has become insolvent and who can no longer support the scheme. There is a cap on benefits meaning that members are unlikely to receive the same amount as they would have done if their employer had remained solvent. The PPF is funded by a levy on other (solvent) schemes, so the schemes which have managed to keep their heads above water are subsidising those which have not. The PPF puts an additional strain on schemes which may already be stretched. My proposal would be for the government to form a committee of experts to explore what the industry can tolerate, and to see whether there is a way of raising funds for the PPF from another source. It is in the government’s best interests for people to have their own sources of income so as not to have people wholly dependent on the state. There is however a balancing act to be achieved. The better the quality of the safety net, the less damaging it is for an employer (reputationally) and for their employees (financially), to allow the DB scheme to fall into the arms of the PPF.</p>
<p>“A decent pension is literally a matter of life and death, that low pensions condemn people to poverty, and that the UK has one of the lowest</p>	<p>The International Longevity Council found that the British state pension ranked 21<sup>st</sup> out of 27 as a proportion of income replaced when</p>

<sup>31</sup> <https://committees.parliament.uk/committee/164/work-and-pensions-committee/news/97996/bernard-matthews-administration-arrangement-committee-receives-prem-sikka-briefing/>

<p>state pensions among the industrialised western countries.”<sup>32</sup></p>	<p>compared with other European countries. It is expected that the balance is made up via occupational and personal schemes. The philosophy underpinning the proportion of income coming from state and occupational/personal pensions is different in other countries; the UK could consider whether its proportions are pitched at the correct levels. Now that the defined contribution landscape has evolved, and people are more aware of the difficulties of saving enough for retirement, and the value of a defined benefit pension scheme, it might be that the time is right for an entirely new sort of private sector defined benefit scheme, underwritten by the state, where people can accrue meaningful and predictable benefits in a scheme where there is no risk of an insolvent employer.</p>
<p><b>Professor Shah</b></p>	
<p>“There is a need for a grassroots financial literacy drive if we want families to be truly independent and financially stable.”<sup>33</sup></p>	<p>My work at TPAS evidenced to me that people indeed have a very low level of financial literacy, and I would wholeheartedly agree with Professor Shah’s opinion. As an experienced industry expert, I think that financial literacy needs to be embedded as early as possible, preferably in schools, so that children have an understanding from a very early age of the importance of starting to save early for retirement.</p>
<p>“Financial risk is a very real problem and a significant issue in modern society, and that the loss of a pension could mean hunger, illness and misery for an old-age pensioner.”<sup>34</sup></p>	<p>I think that Professor Shah is right that the loss of a pension could be disastrous. During my role as a TPAS advisor, I have dealt with cases where a pensioner has been accustomed to a certain level of income, only to find that there has been a mistake, that they were entitled to less and that they must (depending on circumstance) repay the overpaid amount. I have seen first-hand the effect that this can have on people who have done nothing wrong. At a time of life of being in receipt of a pension, in my experience these people simply do not have the ability to re-join the workforce. They might be in ill health, their skills may have become obsolete and they may not have the appetite or the aptitude to retrain, a decision to go back to work might have</p>

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[https://www.researchgate.net/profile/Prem\\_Sikka/publication/237534071\\_PENSIONS\\_CRISIS\\_A\\_FAILURE\\_OF\\_PUBLIC\\_POLICYMAKING/links/02e7e5278094c8c9f0000000/PENSIONS-CRISIS-A-FAILURE-OF-PUBLIC-POLICYMAKING.pdf](https://www.researchgate.net/profile/Prem_Sikka/publication/237534071_PENSIONS_CRISIS_A_FAILURE_OF_PUBLIC_POLICYMAKING/links/02e7e5278094c8c9f0000000/PENSIONS-CRISIS-A-FAILURE-OF-PUBLIC-POLICYMAKING.pdf)

<sup>33</sup> <https://theconversation.com/financial-literacy-is-shockingly-low-and-the-academy-must-do-more-31321>

<sup>34</sup> [https://www.academia.edu/11750239/Defining\\_Financial\\_Risk](https://www.academia.edu/11750239/Defining_Financial_Risk)

	<p>wider implications – for example to family members if the retired person is providing childcare. Where I have helped such people to prepare a defence against repayment and they have provided details of income and expenditure, it is often very apparent that there is little to spare. Any drop in income can literally be catastrophic. I think that there is a good case, as I have said above, for a working group to be set up and a suggested strategy put forward regarding how best to safeguard pension schemes in the event of a failing employer.</p>
<p>“Financial scandals will have had a bearing on people’s attitudes towards pension saving.”<sup>34</sup></p>	<p>This comment resonated with me as both in my TPAS work (answering the phone to people with pension queries when I was working at TPAS full time) and as borne out by the interview stage of my research, I found that people are mistrustful of pensions due to the scandals. I have heard all the scandals that I detailed brought up in conversation at one time or another, especially the SIB mis-selling review and the Maxwell scandal. I think that the working group which I have mentioned above could help to restore confidence if its emerging strategy to ensure that pension savings are secure was robust and credible, and promoted widely on news platforms. People need to feel that all the bad things that have happened are in the past, and that going forward, there are mechanisms in place to make absolutely sure that they do not happen again. Unfortunately, I fear that the opposite is currently happening. The pensions freedom legislation now makes it far easier for individuals to transfer their pensions between providers. This has led to a new wave of pension scams, with the regulator desperately trying to warn individuals of these new mis-selling risks.</p>

## Not So Final Words

I have taken up this opportunity to carry out practitioner research at doctoral level. It has been of value in ways I cannot fully express. I have always been curious and driven by values that, as for many of us, have been hidden somewhere. They inform what we do but do not really know why and how. This doctoral undertaking has increased my knowledge of my own sector but it has also brought into full awareness why this matters to me to improve the quality of life for those who have dedicated their working lives to society and may end up in poverty or near poverty levels or trapped



in their third age unable to reap any benefits beyond survival. We may not have a chance to fix things for everyone, but we do have a chance as a sector to learn from our shortcomings and secure better quality retirement for the workers of the present and the future. I will happily devote my remaining working life to those ends.

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## Appendices

1. Results of questionnaire
2. Interview schematic
3. Transcript of interviews
4. Coding spreadsheet
5. NOW: Pensions HR presentation
6. Research consent form
7. Scanned interview coding
8. Learning journal
9. Interview structure & data tables
10. Summary of inferences from findings
11. Critical Discourse Analysis
12. Action research

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