

The Invisible Work

Communications
as a Capability in
the Pension
Industry



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The authors would like to thank the pension communications leaders at ATRF, BC Pension Corp., CAAT, OMERS, OPTrust, Provident10, Saskatchewan Teachers Federation, SHEPP and UPP who participated in our inaugural study for their trust, transparency, and patience. We sincerely hope you find the learnings valuable.

How might we gather and share insight into pensions' communications practices to elevate the capability and its impact?

Understanding the Invisible Work of Pension Communications

Pensions and pension investment boards face meaningful challenges: complex stakeholder ecosystems where participants perspectives can differ dramatically; increasing transparency and pressure on performance, cost, and social issues; complicated operating environments across investments and member service; and real-time information sharing across a proliferation of forums and channels. In this context of uncertainty, we believe the discipline of communications is emerging as a critical capability in the pension industry – and an area of opportunity and innovation.

Currently, communications approaches, tools, and outcomes vary across the industry. This disparity led Fuse to ask, how might we gather and share insight into pensions' communications practices to elevate the capability and its impact? This research report is our answer.

In 2022, we invited nine Canadian pension investment boards and administrators to participate in a communications survey and interview. We paired this internal insight with an audit of public-facing communications activity and a survey of more than 1000 Canadians with workplace pension plans that included questions about their pension communications. We filtered the rich data set resulting from these research activities through the lens of a public sector communication framework¹ to understand:

- Objectives: what does an organization want to accomplish?
 - Outputs: what tangible communications goods are produced?
 - Outtakes: what learning results from communications activities?
 - Outcomes: what changes are measured in target audiences?

The result is a robust quantitative and qualitative view of the capability in the pension industry today that highlights the often-invisible infrastructure and effort that communication requires – and the value it delivers.

The report explores the opportunity for communications strategy, compares priorities and positioning, and provides a detailed view of how participating firms are organized and operate. It includes external perspectives from experts in communications planning, crisis management, legal communication, and social media. And we answer seven questions asked by peers of one another, sharing actionable insights and ideas.

It is our hope that this research empowers pension communications leaders to make informed decisions as they modernize their operations and scale their impact – within their organizations, with their stakeholders and in the pension industry broadly.

Communications is so much more than its artifacts: to each of the pension communications leaders who took the time to participate in this research, contributing your experience and perspective to the evolution of your discipline, thank you – and we see you.

Communication as a Public Good: Our Public Sector Communications Framework

In his book *Professional Communications in the Public Sector*, Ted Glenn suggests that aligning communications objectives with overall strategic organization goals is fundamental to the success of tactical communications. What's more, we need to think about three dimensions of our communications objectives:

1. **Output objectives** are the measurement of our tactical communications. What do we produce and when? What strategic goals are these products aligned with? Outputs are easiest to measure, and are therefore most often used in KPIs.
2. **Outtake objectives** seek to understand what our audiences actually take away from our communications. To know this, we need to find out what our audience knows. For example, this might take the form of surveying participants in an educational seminar about their pension knowledge (not just their satisfaction!). If we are in the business of educating people about their pension then knowing what we actually teach them is an important KPI to track.
3. **Outcome objectives** are designed to achieve some change in your audience. Do you want them to advocate for pensions? Or reach out at the right time? These are behavioural change objectives.

Matching communication objectives with strategic goals, and measuring each of these communication objective dimensions, can help to illuminate the work that professional communicators do in pensions.

Setting Objectives: Strategy, Stakeholders, and Mandate

Strategy

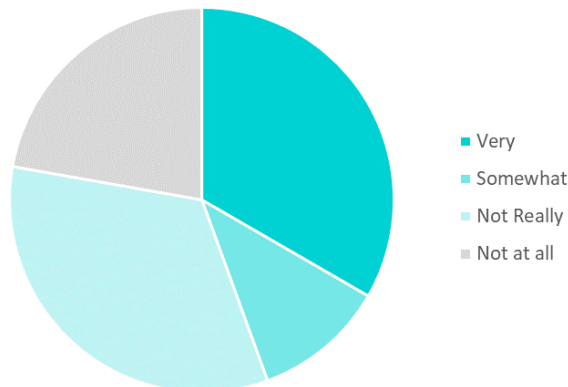
Our survey of communications as a capability begins with an understanding of the role of strategy and planning – which are complements, not substitutes², in setting objectives. Seven of our nine participating organizations reported having a corporate strategy, while two had corporate plans. Of those strategies and plans, a total of seven included specific objectives for communications.

However, less than half of communications respondents reported being very or somewhat involved in the creation of corporate strategies and plans. This finding leads us to believe that there may be a missed opportunity to leverage communications resources in the development of corporate strategies and plans, as well as to articulate the most relevant and impactful communications objectives as part of those efforts.

“Strategy is the act of making an integrated set of choices, which positions the organization to win; while planning is the act of laying out projects with timelines, deliverables, budgets, and responsibilities.”

- Roger Martin

Figure 1: How involved is the Communications Team in developing Corporate Strategy/Plans?



Source: Fuse Survey

Roger Martin, our favourite strategist, goes so far as to argue that (in the private sector equivalent of public communications) “marketing and strategy are one discipline”³ given that they both seek to understand customers, competitors, and the company – or, in pension terms, members, peers, and the organization – and make value-creating choices. Pensions should consider ways to integrate communications into their strategy development and planning processes, to reduce the risk of duplicated or disconnected effort and maximize the value of the capability.

For the communications teams, the benefits of participating in strategy and planning processes are clear and were often cited by our interview participants. The opportunity to have clarity, specificity, and alignment with corporate objectives – as well as the real-time context that is so critical to expressing nuance and making choices confidently – is perceived as invaluable by communications professionals.

Figure 2: Does your organization have a clear communications strategy/plan with defined long- and short-term objectives?



Source: Fuse Survey

Notably, participation in corporate strategy and planning processes is no guarantee of similar rigor in the communications function. Only one of the communications teams who participated at the enterprise level had a formal

communications strategy, while the others had objectives at the operating level – perhaps choosing to lean on the corporate-level strategy or plan to guide the capability. Where communications did not participate in enterprise strategy or planning, responses ranged from having a strategy or plan without defined objectives to having no documented strategy or plan at all. Participants with strategies or plans were evenly split among those who are constantly updating these living documents and those who conduct a formal refresh every one to two years.

In our view, this gap in formal communications strategy is foundational to many of the downstream challenges that our participants described – from obtaining good inputs, to demonstrating tangible value, to earning legitimacy in the organization. A clear strategy, articulating where communications will play and how it will win, can set the capability on the path to success.

How are communications objectives articulated?

A review of public statements of strategy among participants finds that communications objectives are typically articulated in generic terms such as,

- Improving stakeholder trust and understanding;
- Delivering transparency to members and stakeholders;
- Demonstrating expertise to build credibility; and,
- Building strong and collaborative partnerships.

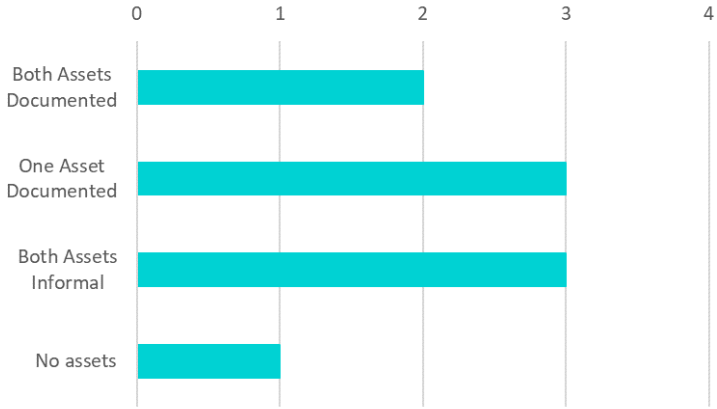
The challenge for communications leaders is to develop specific strategies and plans that make the choices and actions required to deliver these results clear, compelling, and measurable.

Stakeholders

Central to the communications discipline is a deep understanding of stakeholders. In our research, we explored the use of two assets – stakeholder maps and personas – by communications teams in setting objectives for stakeholder interactions.

Study participants relied on stakeholder maps and personas to varying degrees; they were not consistently documented, informal or missing. Stakeholder maps were more foundational given the complexity of the pension industry stakeholder landscape, but less often documented than personas; personas, while more common and more formalized, were typically not data driven.

Figure 3: Does your organization have a stakeholder map? Does your organization leverage personas to represent various stakeholders?



Source: Fuse Survey

The most common uses of stakeholder maps among participants were to ensure consistent and coherent outreach across diverse stakeholder groups and to inform communications planning; less frequently, this asset was used to support audience analysis and the development of segment-specific messaging or as part of formal impact assessments in project planning or change management activities.

Personas were most often leveraged to shape content, language, and tactics such as determining distribution channels. Rarely, personas informed the development of special communications artifacts or member service design.

Expert Perspective: How Should We Reconsider Using Personas?

Danielle J. Deveau, PhD, Lecturer

Dept. of English Language and Literature, University of Waterloo

User personas are one tool that communicators can use to create products and events of interest to key stakeholder groups. Once a user persona exists, it is an efficient way to understand your users' interests, expectations and needs. It can provide important information about behaviour and preferences that might guide your decisions.

User personas can also be controversial. A persona, after all, is an archetype. But what prevents an archetype from simply becoming a stereotype? Sometimes, user personas come to embody inherent bias within organizational cultures. User personas can act as over-simplifications, removing some of the nuance to the problems that teams are solving for. They also sometimes gravitate toward clichés and can lead to unconscious bias. Think about the consequences of building a persona called “Karen” who is an opinionated, middle-aged woman who expects a high standard of service. How much empathy would you expect the design team to have towards this persona? What do people named Karen think about this?

As a first step towards ensuring that personas are not simply carriers of unconscious bias, they must be built with real research data. You can't plug assumptions and stereotypes about your users into a persona and expect an unbiased archetype to come out the other side. Your organization already has a lot of data about its users. Surveys, customer feedback, and demographics can all be used to drive persona development. Anytime a client is engaged, there is an opportunity to enrich user profiles. Data-driven personas must be revisited and updated regularly, so establishing pathways to obtaining user data is important.

Even with these precautions, bias and stereotypes are tough to avoid. One way that practitioners are finding to addressing inherent bias, is to change how we visualize our user personas. Increasingly, researchers are using archetypes and cartoons, rather than stock images. So rather than using a stock image of a man in a suit with a cell phone and stacks of paper on his desk to visualize a “busy executive,” you might use something like a cartoon of a juggler. This would be useful if the salient point is that this group of users is trying to do too many things at one time. If the persona is about parents advocating for their children, you might use a fierce bear. Using these personas can help to cut down on unconscious bias, which is what can sometimes make our archetypes into problematic stereotypes.

Remember, personas are a great tool in your user research toolbox. However, no matter what visualization approach you take, they must be built with good data and driven by empathy for your users.



**A Question
from your
Peers**

“How do you segment communications objectives across diverse stakeholder groups?”

Survey participants reported three primary approaches to segmenting communications objectives and activities across stakeholder groups:

1. “Making everyone equally unhappy” with a standard message for all stakeholders that attempted to balance competing priorities and diverse content;
2. Conducting basic segmentation primarily by member lifecycle; and,
3. Attempting and/or aspiring to interact with stakeholders differently, accompanied by different success metrics for that activity. For example, communications to younger members with the goal of increasing job tenure or to retiring members to reduce the number of plan exits.

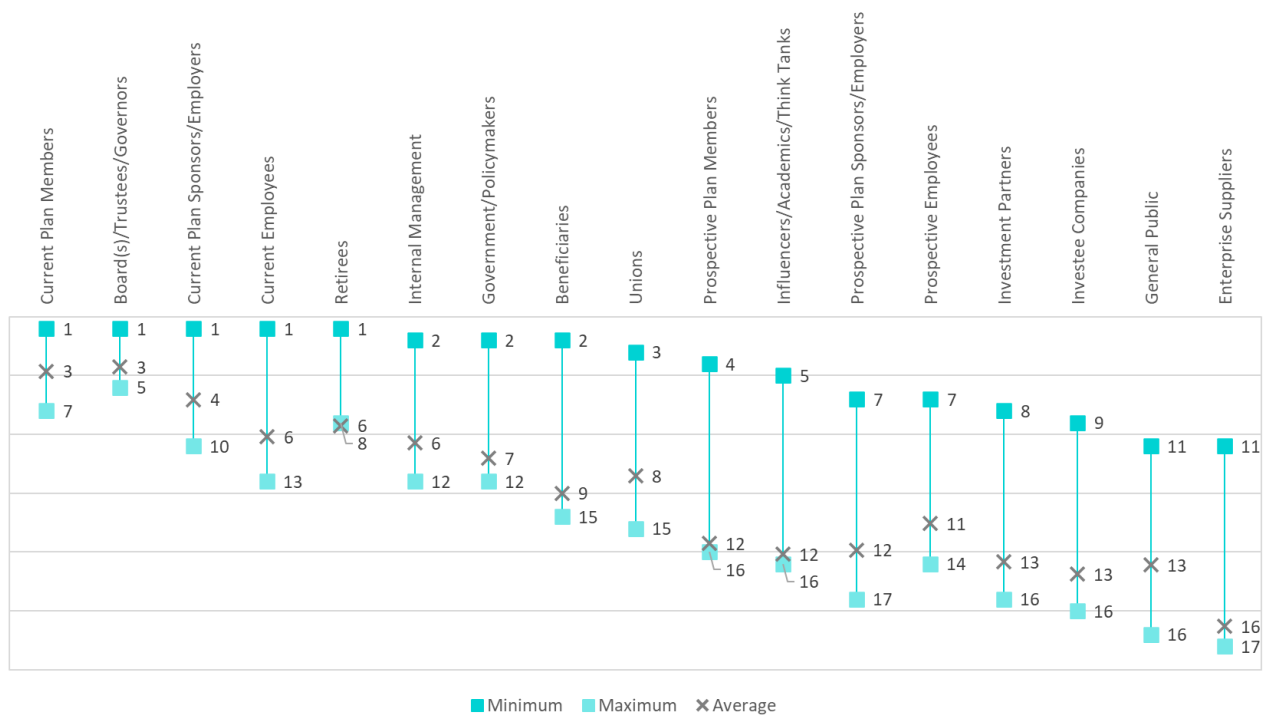
Other ideas and insights shared included:

- Message segmentation can often be reactive or driven by “problem populations” and effort is required to ensure segmentation is not exclusionary;
- The ability to segment is heavily reliant on enterprise technology capabilities, which can either enable or constrain communications goals;
- There is an opportunity for pensions to move beyond lifecycle segmentation and begin to consider other dimensions of our stakeholders, such as financial literacy, wellness, digital savviness, and other behavioural characteristics; and,
- Communications segmentation is easy and powerful where the business you represent is clear and bold in their strategy of what value they provide to what stakeholder – communications should ideally have segmentation as an input!

Despite the prevalence of stakeholder maps, research participants consistently described the request to *prioritize* stakeholders as very challenging. Despite the number of stakeholders involved in the pension industry (which is higher for pensions who invest and administer pensions), determining their relative importance was difficult for participants. The

resulting data demonstrated the diversity of stakeholder approaches in the pension industry and offers interesting patterns for consideration.

Figure 4: Stakeholder Ranking, ranges and averages



Source: Fuse Survey

Of the five highest-ranked stakeholders, retirees were ranked top priority only once – an interesting dichotomy to the layperson’s understanding of a pension! Internal stakeholders tended to be ranked higher by organizations who were experiencing meaningful transformation, reflecting a focus on governance, technology, or work-style change. Most notable, however, was the tendency to treat governance as the customer with most research participants indicating their Boards and Sponsor bodies as top priority stakeholders, alongside current members.

Mandate

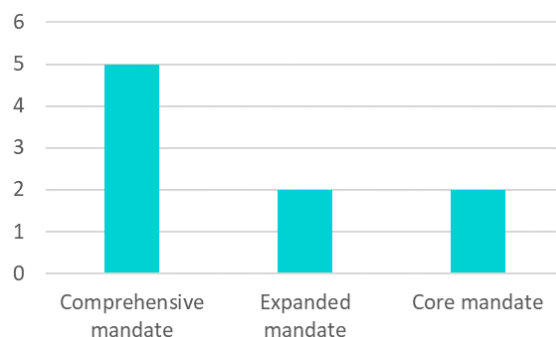
This prioritization of stakeholders is also interesting to consider relative to the mandate articulated by research participants. Three of nine pensions surveyed had a formal mandate statement, an important element in maintaining focus – the same organizations who reported formalized communications strategies or plans.

We assessed the scope of mandate to distinguish firms that operated a core communications mandate (half of the accountabilities identified), an expanded mandate (two-thirds or more of the accountabilities identified), or a comprehensive mandate (almost all of the accountabilities identified). The majority of research participants were delivering on a comprehensive mandate.

Certain key elements of the communications mandate were universal across all research participants; however, the amount of effort invested in elements of the mandate varied. Crisis and issues management, for example, although almost everyone’s accountability was not anyone’s operational priority.

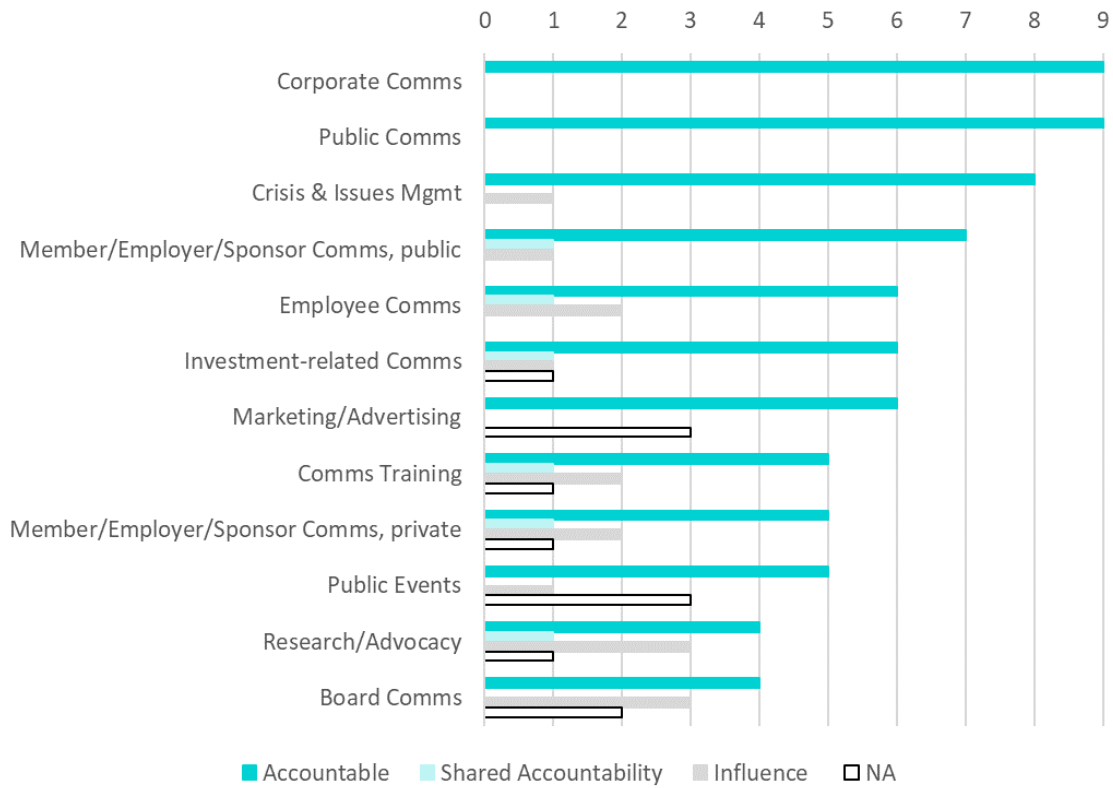
Further, given the importance of governance-related entities in the stakeholder ranking, it is notable that the majority of communications teams are not accountable for or influencers of Board communications. Exploring the linkage between stakeholder priority and mandate scope and activity can help communications teams maximize their focus and impact.

Figure 5: Firms by Communications Mandate Scope



Source: Fuse Survey

Figure 6: Elements of the Communications Mandate



Source: Fuse Survey

Delivering Outputs: Structure, Processes, and Partnerships

Having understood how objectives are set for communications in the pension industry, our research progressed to understanding the structure processes and partnerships leveraged to deliver on those objectives.

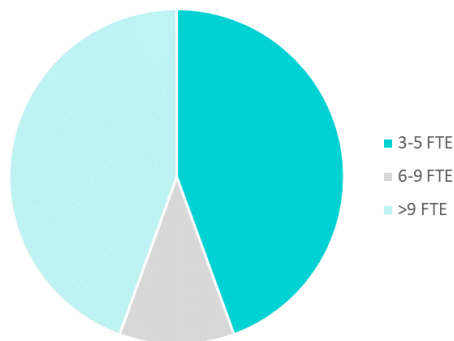
Structure

Communications as a capability exists in one of two structures in our survey sample: centralized, where all communications activity happens in one team, and decentralized, where communications accountabilities are shared across two or more teams.

In our study, seven participants operated in a centralized model, while two – the largest by AUM and members – were decentralized. Where decentralized, the additional teams with communications capabilities and accountabilities included: pension services, stakeholder relations, and HR.

The reporting lines of communications teams were almost evenly split between Level 1 reporting, directly to the CEO, and Level 2 reporting, to an executive who reports to the CEO. This indicates good visibility at the leadership level into the communications function, even given the relatively flat organizational structures that characterize the pension industry.

Figure 7: Communications Team Size



FTE – full-time equivalent role
Source: Fuse Survey

The largest organizations tended to have the largest teams; while firms with core mandates reported the smallest team size, firms with expanded and comprehensive mandates reported teams of all sizes. Three of nine respondents indicated they expected to expand their teams in the next year, to support business growth or to access new skillsets. It is notable that the majority of teams did not indicate plans to grow, despite acknowledging current capacity challenges and ambitious plans and mandates.

Figure 8: Communications Team Skillsets



Source: Fuse Survey

One of the most delightful findings in our research was the evidence that communications leaders within pensions are building the capability as a professional discipline, with formal education underpinning 100% of teams – indicating there is meaningful firepower available to deliver value to the industry!

In fact, when asked what attracted research participants to pension communications as a career, leaders noted that “good people work in pensions.” The fiduciary culture, variety and complexity of the work, opportunity for creativity, collaborative industry, and the personal connection that comes from the impact of pensions were cited as the most-loved parts of the role.

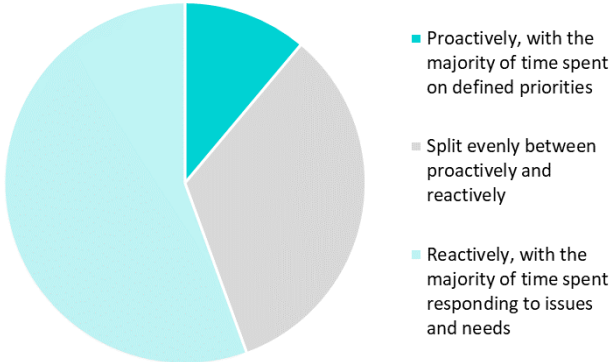
The most-frequent challenges came from struggling to define the capability and “get a seat at the table”, navigating complex governance and the constraints of operating as a fiduciary, and making communications content engaging and effective, given the requirements of regulation and the dependency on broader issues like financial literacy. Leaders should be alive to the very real impacts of these challenges, not only on themselves, but on the culture and motivation of their teams as well.

Processes

Communications teams working through the outputs of their day-to-day business most often reported operating primarily or somewhat reactively. It is a commonly cited experience to be sidetracked by the CEO issue of the day or governance inputs. While this tension will always be present, having a strategy or plan in place was identified by participants as an important way to drive alignment and focus.

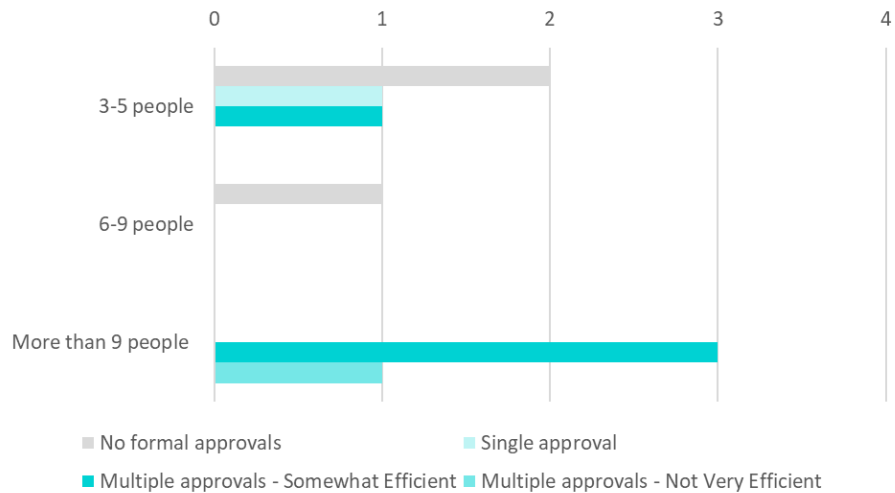
Participants also looked to the role of technology and the importance of standardizing routine tasks in enabling proactive work. Further, participants highlighted the shift in the mentality of communications teams required to work this way – while communications may be an enabler to the business, there is a conscious repositioning necessary from service provider to strategic partner in operating proactively.

Figure 9: Communications Time Spent



Source: Fuse Survey

Figure 10: Communications Approval Processes, by team size



Source: Fuse Survey

Approval processes for communications outputs, according to research participants, differ meaningfully by product with the most stringent reviews naturally occurring for regulated documents. Commonly, annual reports and documents with member-specific information have detailed audit trails, internal communications may be reviewed by HR, sensitive content invariably ends up on the desk of the CEO, and subject-matter experts (SMEs) are heavily leveraged to ensure the accuracy of information.

Among smaller teams, there was greater diversity in the general approach to approvals, while larger teams deployed multiple levels of approvals consistently. No organization reported multiple approvals as operating *very efficiently* indicating the inherent complexity in aligning diverse views on communications outputs.

While we anticipated that communications leaders would identify legal and regulatory requirements as a major constraint to their efforts, this perspective did not emerge as strongly as expected in our surveys and interviews.

Expert Perspective: How should pensions be thinking about managing legal risk while ensuring effective corporate and member communication?

*Allyson Marta, Lawyer, Pensions and Benefits
Fasken*

To manage legal risk and develop effective corporate and member pension-related communications, lawyers should be viewed as key players in developing and executing on a communications strategy.

At a high-level, a lawyer's role in pension-related communication is to identify potential sources of liability for their client and to reduce the risk of that liability. Generally, pension-related communications can be a common source of legal challenges, particularly for claims of negligent misrepresentation. These are claims that the facts were either misrepresented or there was a failure to disclose all the relevant facts, typically in circumstances where the beneficiaries are required to make decisions affecting their personal rights.

However, there are broader potential legal risks associated with pension-related communications, beyond the four corners of "pension law". As a result, the scope, nature, and level of a lawyer's involvement in corporate and member pension-related communications will vary based on a variety of factors, including:

- the identity of the client (e.g., administrative entity (fiduciary) or sponsoring entity (non-fiduciary));
- the substance of the communication (e.g., an adverse or negative change versus a benefit improvement);
- the type of communication (e.g., a communication prescribed by pension law or "voluntary" communication);
- the intended audience (e.g., all plan beneficiaries, an individual beneficiary, the regulator, or the public at large); and
- the applicable laws (in addition to pension laws, this may include local or foreign laws governing labour, employment, tax, electronic transactions, securities, and cybersecurity and privacy).

The role of lawyers in pension-related communications often goes well beyond revising potentially problematic language in written communications. Lawyers can identify and advise on potential legal risks related to the strategy itself. They can assist the communications team with addressing those risks in developing the strategy and the execution plan, thereby avoiding unexpected issues later in the process. Additionally, lawyers can liaise between the various stakeholders, including pension regulators and unions. From this perspective, communications teams would benefit from re-conceptualizing lawyers as strategic partners, and not simply editors.



**A Question
from your
Peers**

“What impact does the regulatory framework have on your communications activity?”

In responding to this question, research participants were quick to note that jurisdictional differences matter – different provinces have unique requirements, on digital communications for example, and organizations operating as investors must comply with the standards of diverse global regulatory regimes.

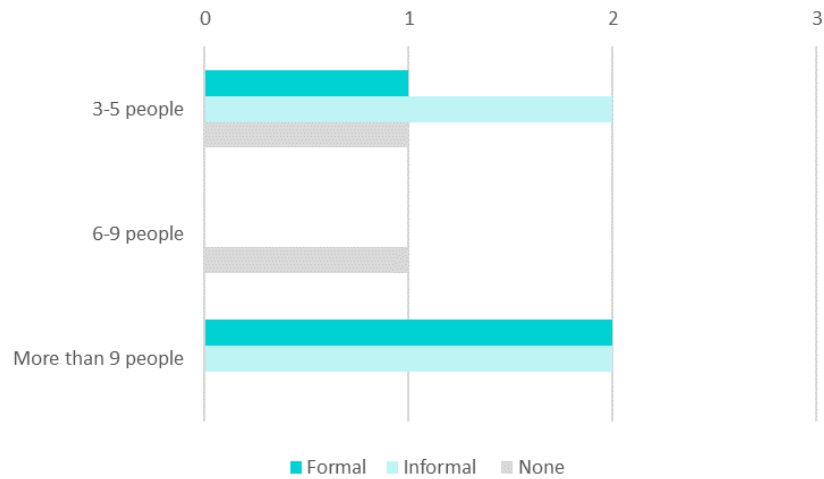
Several regulatory issues were top of mind for participants:

- Navigating the fine line between providing a pension and providing advice to individuals as part of member service;
- Climate as an emerging issue as well as an example of the overriding need for verifiable data to support performance, cost, and ESG claims,
- The tension between clarity and complexity, where requirements and standards may constrain straightforward, plain language communication; and,
- The fact that regulatory change projects can absorb capacity from value-add initiatives.

To address these issues, participants are focusing on building strong relationships with regulators to ensure positive, open dialogue, as well as productive partnerships with internal policy teams. Where possible, teams are working to standardize processes and language to streamline the compliance of communications outputs.

Key performance indicators (KPIs), the mechanism for measuring the value and impact of communications outputs and activities, are relatively nascent in the pension industry, with informal KPIs the most common regardless of team size. While there are many things that might be measured across the communications mandate, leaders are wrestling with the question of what KPIs are valuable to their organization as well as the capacity required to produce and monitor reporting on KPIs.

Figure 11: Communications Use of Key Performance Indicators (KPIs)



Source: Fuse Survey

Categories of KPIs in use or under consideration include:

- Member satisfaction (surveys like, would you recommend this webinar? is this newsletter valuable?);
- Operations outcomes (such as digital adoption and communications campaigns targeted to specific operational issues); and,
- Traditional and social media measures (including reach, volume, and sentiment, as well as pilot programs on content effectiveness such as A/B testing on videos).

Where KPIs are in use, they are rarely formally linked to performance management or compensation for the communications team. This ambiguity around KPIs is likely a result of the gap in formal communications strategy: clear strategic choices make it clear what to measure.

Budget

Our research included a high-level assessment of communications budgets, where data was available; seven participating organizations provided budget details. This data showed a meaningful difference in budget, excluding staff costs, above (large budget, \$1-4M) and below (small budget, <\$1M) 100k members.

Two organizations reported that communications budgets had increased meaningfully in the past five years, while seven indicated that they had remained relatively constant.

On a per member basis, costs are higher for organizations that both invest and administer pensions, compared to those that are solely pension administrators.

Percentage spend on technology is proportionally the same for firms with large budgets and small budgets at less than 25% of non-staff costs. Small budget firms are more likely to spend a higher proportion of non-staff costs on operations than large budget firms. Small budget firms are more likely to spend on partnerships. Spend on special projects was roughly the same proportion of non-staff costs for large budget and small budget firms.

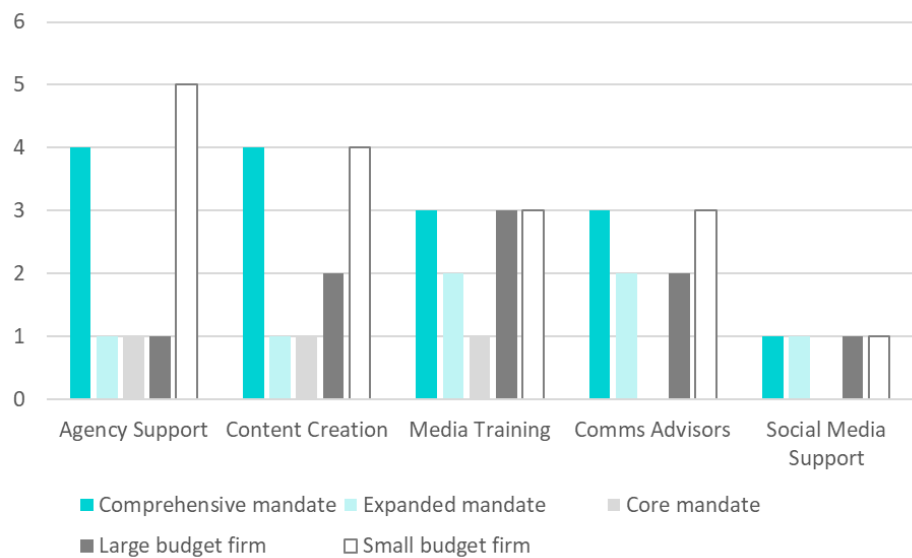
The more telling view of communications costs came when considering non-staff budget relationships to mandate: operational costs achieve economies of scale as a firm's communications mandate expands, and comprehensive mandates are more likely to spend on partnerships than expanded or core mandates. Technology spend is consistently low across mandates. Special projects, such as rebrands or website builds, represent a larger portion of non-staff budget for broader communications mandates: core mandates spend less than 25% of non-staff budget, while expanded mandates spend 25-50% and comprehensive mandates closer to 75%.

Partnerships

From the landscape of communications partnerships available, our research sought to understand the use of agency support, content creation, media training, communications advisors (such as crisis management), and social media support by pensions.

Pensions with comprehensive mandates and small budgets tend to engage partners more broadly than expanded and core mandate organizations or large budget firms. In research interviews, large budget firms expressed a view that it was more cost effective and operationally seamless to bring specialist skillsets, like graphic designers, in-house.

Figure 12: External Partnerships at Pensions, by mandate scope and firm budget



Source: Fuse Survey



**A Question
from your
Peers**

“What has been your experience accessing third-party support in communications?”

Peers shared that communications industry partners are calling – indicating pensions are viewed as desirable clients by suppliers, not as stodgy bureaucratic actors as we may fear. Pensions want to focus on creativity in their communications activity: the trade off is between building skills internally and spending members’ money on external partnerships.

Research participants shared that it would be easier for pensions to use outside partners more frequently if it was easier to extract value from those relationships. Difficulties in onboarding partners were frequently cited, alongside the complexity of briefing external parties on the nuances of the pension business and firm history and culture. The most successful partnerships were described as long-term and benefitting from deep commitment by the pension organization to “providing the real-time communication and context required to make them work.”

Some organizations referenced patterns to their thinking about partnerships: buying local or avoiding the “usual suspects” in the pension space as a mechanism for accessing stretch thinking and innovative advice.

Expert Perspective: Why and how should pension funds consider building capability in crisis and issues management?

Scott Davidson, Managing Partner

Lauren Ramey, Senior Vice President

Teneo

Your Annual General Meeting is disrupted by protestors pushing for an immediate divestment from all fossil fuel companies. Plan sponsors mount an advertising campaign to complain about poor returns and demanding that management be replaced. Media outlets are calling to get answers to fund holdings associated with nation states accused of human rights abuses.

Each of these scenarios could be faced by a pension fund at any point – in addition to operational, cyber, and employee issues that erupt every day at organizations. Pension funds face unique risks as they manage the interests of diverse stakeholder groups, act as prudent investors on behalf of sponsors, while also generating returns in increasingly volatile macro-economic environments across multiple asset classes and geographies. While no company can prevent issues and crisis, understanding the depth and breadth of potential risks ahead of time, being prepared to respond and acting quickly to rebuild confidence after a crisis are crucial steps to resolve crises, get back to business, and preserve your hard-earned reputation.

To be successful, it is imperative that pension funds foster a culture of issues management and crisis preparedness across the business. This culture needs to be embedded across business units with leadership, training, and protocols to foster a proactive approach to issue and crisis mitigation.

Without a proper integrated crisis management function in place, the central organization may not be made aware of potential issues arising with multiple stakeholders involved. For example, an emerging geopolitical issue in a market where a fund has significant assets could easily become an issue. The Russian invasion of Ukraine demonstrates how rapidly an issue can develop when many pension funds had to divest Russian assets almost overnight. In this case, the crisis management plans would consider a range of issues that require input from across the business – from the size of the stake in the investment, the potential impacts to employees on the ground, to contractual obligations, to other partners involved in the investment.

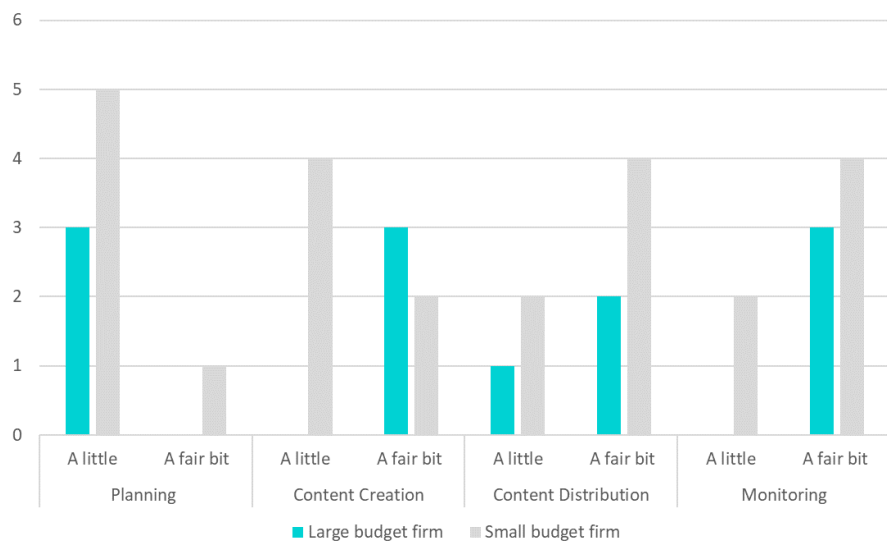
Finally, take stock of your stakeholders and assess how they would act and react during a crisis. Stakeholders can be both your greatest allies and your greatest critics during a crisis. Assess and act on those areas where you can build greater goodwill and understanding with these stakeholders – through communications, consultations, transparency, and support. The goodwill you build today will be an important tool to use when a crisis comes.

Technology Use

The use of technology to deliver on the communications mandate is also relatively nascent in the pension industry – understandable, given the fact that pensions broadly are in early stages of technology transformation. In fact, several research participants explicitly referenced communications’ dependence on enterprise technology, whether desktop (for internal communications) or pension administration (to support member communication and analytics). However, despite this connectivity, communications teams are not typically directly involved in maximizing the value of enterprise technology investments. “A lot of technology projects never see communications involved from a data and functionality perspective, embedding the capabilities communications needs to be effective.”

Both large and small budget firms reported *a little* or *a fair bit* of technology use across the communications lifecycle; no organizations reported *a lot* of technology (defined as platforms supporting end to end processes) in communications.

Figure 13: Communications use of technology, by firm budget



Source: Fuse Survey

Websites and intranets were the most cited communications tools, with the majority of research participants planning a refresh of these environments in the near term. Beyond the most basic capabilities, the “business case for technology enablement of communications activity [was characterized as] really tough.”

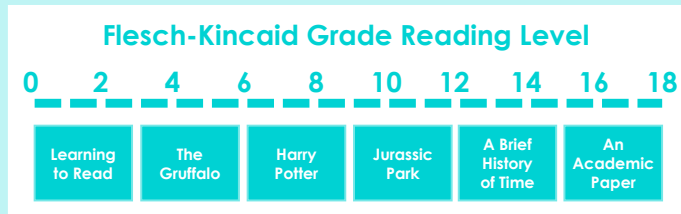
In addition to the Microsoft Office suite, the most-commonly leveraged tools included:

- Web platforms, such as Adobe Experience Manager, Liferay, Drupal, and Wordpress;
- Design tools, such as Adobe InDesign and CANVA Creative Suite;
- Campaign management and survey tools, like MailChimp, Typeform, and Alchemer;
- Video content creation tools, such as Loom;
- Employee interaction tools, like Dynamic Signal; and,
- Social media monitoring services, like Meltwater.

How well are our websites communicating?

57% of Canadians surveyed identified their pension’s website as the place they would turn for information – so, how effective are our websites?

As part of our media audit, we tested the “About us” and “About your Plan/Fund” sections of the websites of our research participants using the Flesch-Kincaid Grade Reading Level⁴ assessment functionality in Microsoft Word. Higher scores indicate greater reading ease; typically, content written for a Grade 8 reading level, with a score between 70 to 80, is considered fairly easy for the average adult to read.



Our scan of participating pension websites identified that none of the sites are written at the level recommended for accessible language for the general population, primarily due to specialist terminology and long sentences. It is a worthy challenge for communications professionals to consider how to apply journalistic principles to web content, making critical information more accessible to readers.

Figure 14: Pension website grade reading levels



Source: Fuse Media Audit

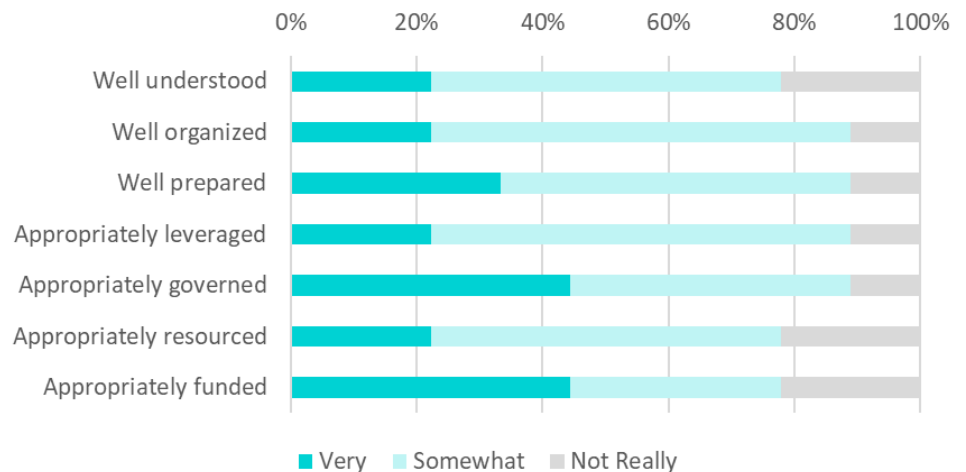
Understanding Outtakes: Internal Learnings and External Impacts

To explore outtakes – the learnings that result from communications activity – our research included a self-assessment of the capability by pension communication leaders and a view of the impact of pension communications on everyday Canadians.

Internal Learnings

We asked our research participants the extent to which they agreed the communications capability in their organization was well understood, organized, and prepared, as well as appropriately leveraged, governed, resourced, and funded. The result was a middling assessment on a positive trend, with appropriately governed and resourced as notable leading indicators. Regardless of the tenure of the communications capability within an organization, the majority of research participants described “feeling like a start up” with growing interest in and demand for communications fueling future plans.

Figure 15: Communications Capability Self-Assessment, by measure



Source: Fuse Survey



**A Question
from your
Peers**

“How do you feel communications as a capability should prepare for the increasing complexity in our operating environment?”

This important question garnered the most diverse set of responses from peers, which we have summarized as follows:

Define Communications’ Role: The role of communications was described in various ways by peers – from being “the organization’s conscience” to an essential element in driving operational efficiency to navigate complexity. Whatever the definition, playing a strategic role was deemed critical to ensuring a more agile and resilient approach to complexity. It is important to make sure that issues and challenges are being addressed at the right level, and that communications “isn’t the clean up crew.” Having – and communicating – a clear role is key!

Focus on Talent: The complexity of communications work in the pension industry makes talent development challenging, and a real effort must be made to move from reactive to proactive modes of operating to help talent navigate and contribute effectively. Pension communications often faces meaningful key person risk.

Be a Good Partner: Several respondents cited the importance of trusted and productive relationships with SMEs as a critical element of working through complexity. Communications professionals can’t know it all. Working collaboratively with SMEs not only provides access to expertise, but the opportunity to use education as a hedge: partners who understand what communications is and does are less likely to misunderstand when complexity and pressure inevitably arises.

Prepare for the Future: Invest in issues management, understanding the dynamics of critical trends and issues and building habits of forecasting and predicting. Work to balance the tension between the urgent and the important in the communications mandate and preserve capacity to “see the big picture” – of your organization, your members, and the world.

61% of survey respondents were open to learning more about their pension!

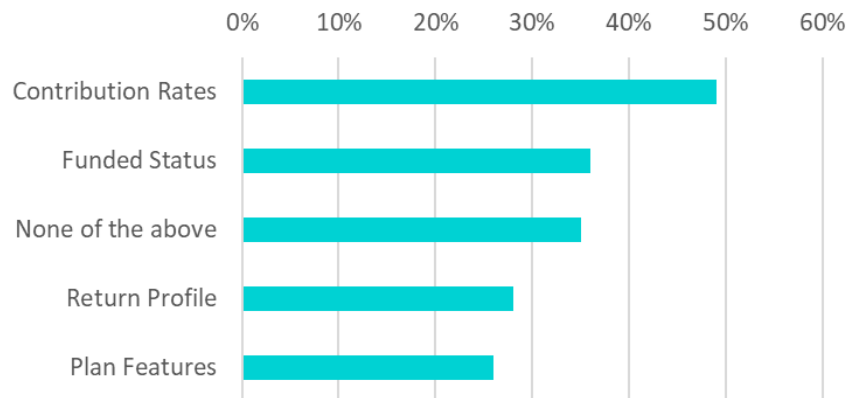
External Impacts

We surveyed a representative sample of 1,040 Canadians with a workplace pension plan as part of the Fuse Financial Insights Survey, to gauge the impact of pension communications. The survey was conducted by Angus Reid in October 2022. The survey findings provide a clear view of the impact of pension industry communications overall to compare to or inspire internal analytics.

37% of Canadians surveyed reported they are very familiar with the details of their pension; 50% were somewhat familiar and 13% were not at all familiar. Respondents were most familiar with their plans contribution rates and funded status.

While 39% were not interested, 61% of respondents were open to learning more about their pension.

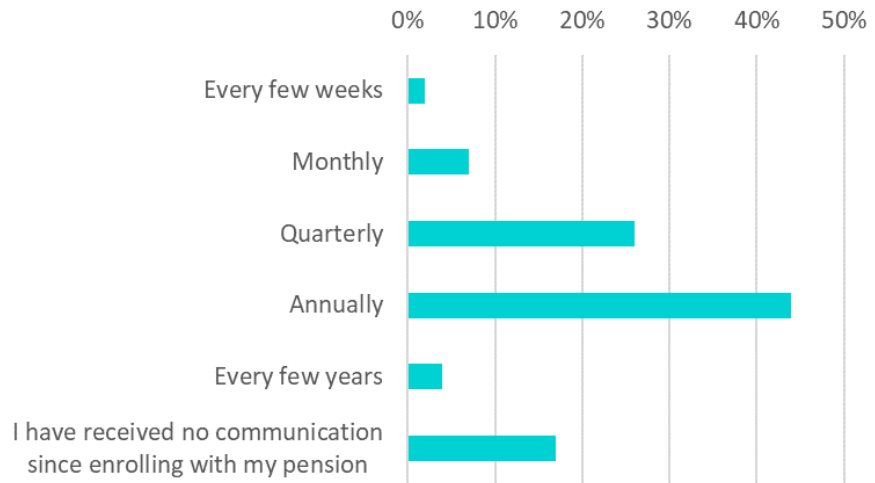
Figure 16: Are you aware of your pension plans...



Source: Fuse Financial Insights Survey 2022

We asked Canadians to tell us how often their pension plan communicates with them; Figure 17 details survey respondents' perception of pension communication frequency.

Figure 17: How often does your pension communicate with you?



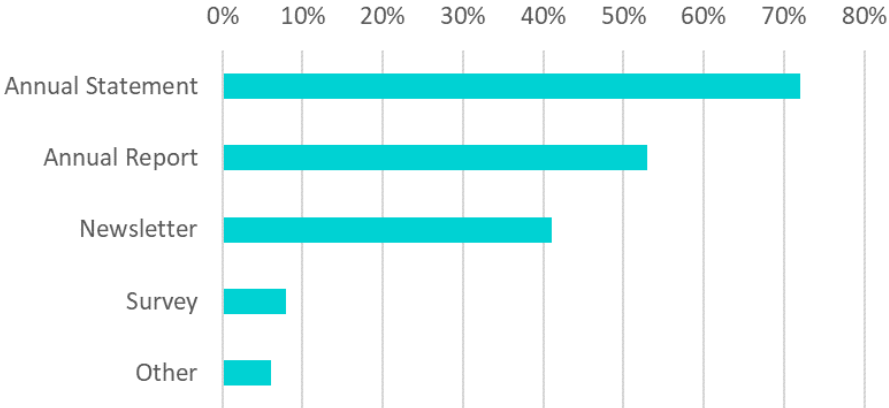
Source: Fuse Financial Insights Survey 2022

Over 90% of respondents who reported communication every few weeks, monthly or quarterly reported this frequency as sufficient. 80% of those who reported communication annually indicated the frequency was sufficient, while those who reported communication every few years (47%) and no communication (29%) reported lower rates of satisfaction with the frequency of communication activity.

Naturally, Annual Statements are most memorable for pension members, recalled by 73% of survey respondents, followed by Annual Reports at 53% and Newsletters at 41%.

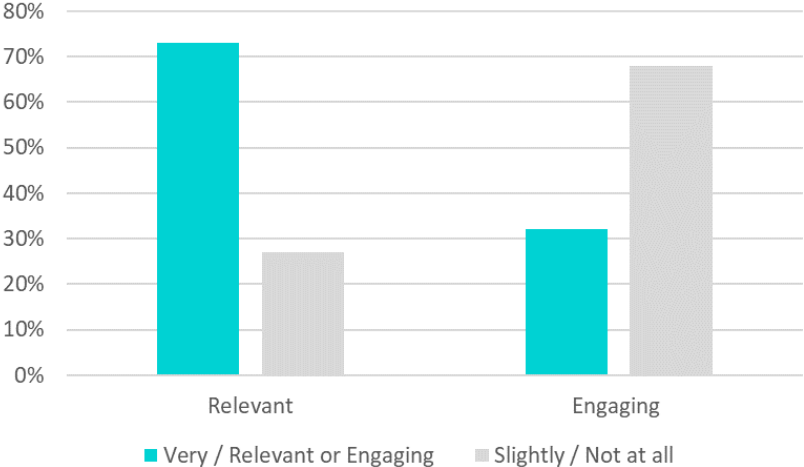
Overall, pension communications score highly on relevance, but poorly on engagement.

Figure 18: Which of the following communications do you remember receiving about your pension?



Source: Fuse Financial Insights Survey 2022

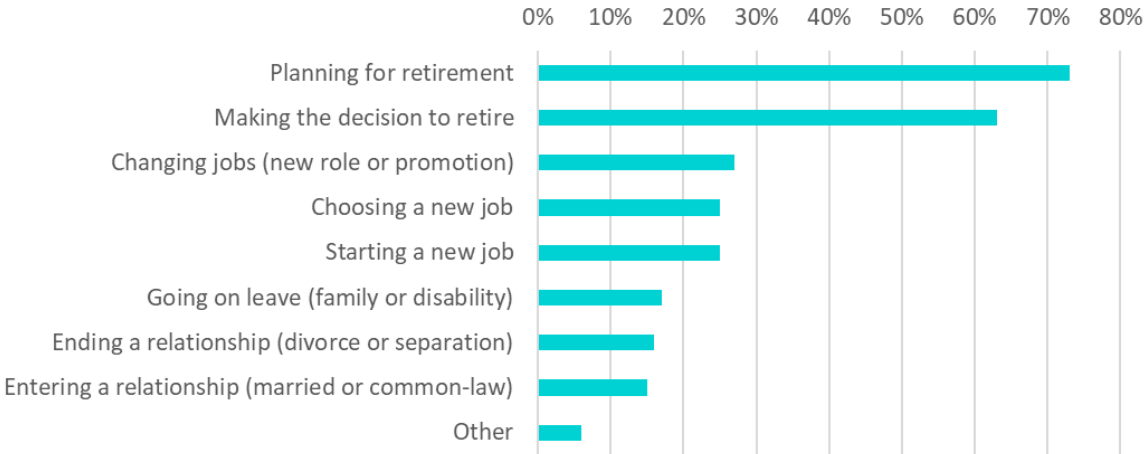
Figure 19: How relevant / engaging do you find the communication you receive from your pension?



Source: Fuse Financial Insights Survey 2022

Canadians understand the relevance of pension engagement when planning for retirement or making the decision to retire; however, there is a low level of awareness of all other pension-relevant life events. Respondents volunteered annual communication, death of a spouse, when making long-term care decisions, and when making collective bargaining / strike decisions as other moments to consider pension impacts.

Figure 20: When would you be most likely to think about your pension?

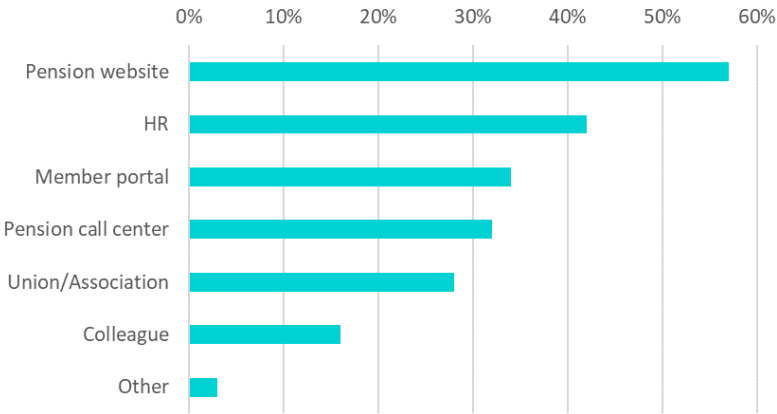


Source: Fuse Financial Insights Survey 2022

Canadians ranked pension websites as the most used source of pension information followed, not by member portals or pension call centers, but by their employer Human Resources departments. Communications teams cannot underestimate the importance of relationships like those with employer and union representatives in amplifying their messages.

48% of survey respondents had attended a virtual or in-person information session with their pension, while less than 10% had attended any of a virtual or in-person training or a virtual or in-person annual meeting.

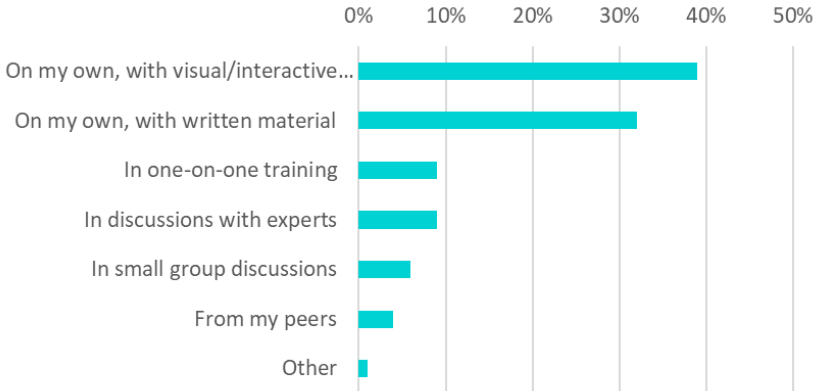
Figure 21: Where would you turn for information about your pension?



Source: Fuse Financial Insights Survey 2022

Survey respondents indicated a strong preference to learn new things on their own, using either visual/interactive (39%) or written (32%) material. This finding has significant implications – and opportunities – for communications and member services more broadly, as the member imperative continues to trend toward self-directed learning and self-service.

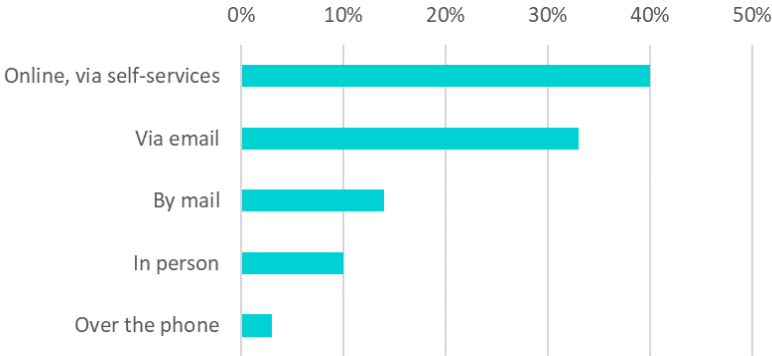
Figure 22: How do you prefer to learn new things?



Source: Fuse Financial Insights Survey 2022

This insight is further validated by survey respondent preferences for receiving information; a combined 73% identified online self-service and email as their preferred channels.

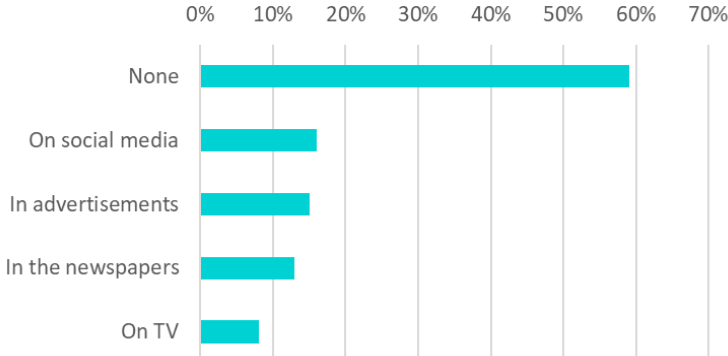
Figure 23: I am most comfortable receiving information:



Source: Fuse Financial Insights Survey 2022

While the largest percentage of survey respondents (59%) had not recalled seeing their pension in the media, it is worth noting that social media made the largest impression at 16%. There is freedom to experiment in pension communications – the best-case scenario is someone will notice!

Figure 24: Do you see your pension on:

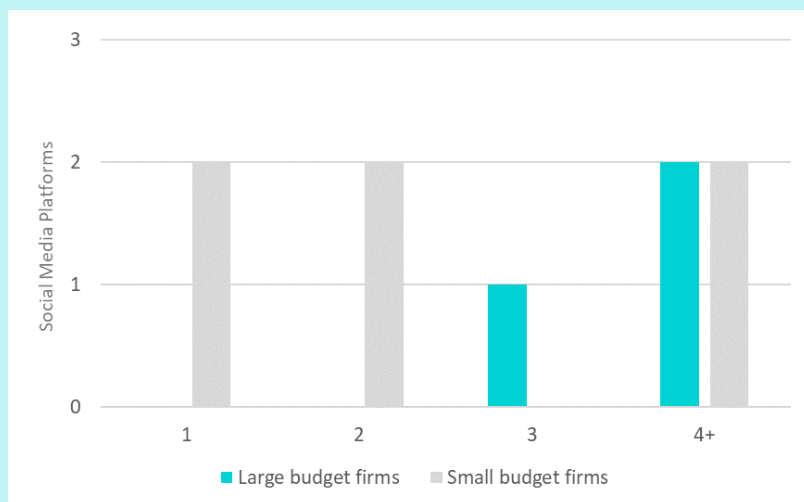


Source: Fuse Financial Insights Survey 2022

To social media or not to social media?

Social media participation by pension organizations is a hotly debated topic and featured meaningfully in our research discussions. There can be good reason for pensions to be cautious – such as the insatiable demand for content in the social sphere, and the concern that members will use social channels for operational support, particularly if the firm’s digital experience is lagging. However, there can also be less-good reasons – like the deep-seated orthodoxy that “retirees aren’t on social media” (despite current members as a higher-ranking stakeholder group) or that the risk of reputational damage is too high.

Figure 25: Number of Social Media Platforms in use, by participants, by firm budget



Source: Fuse Media Audit

To date, most research participants have modest activity and followership on their social media properties. LinkedIn is the most active platform, with activity geared primarily toward partners and potential employees.

Pensions do appear to be approaching social media engagement thoughtfully and with purpose – and we are excited about the potential for future innovation in this space!

Expert Perspective: How should pensions think about engaging with stakeholders through established and emerging social media?

Andrew Jenkins, CEO

Volterra

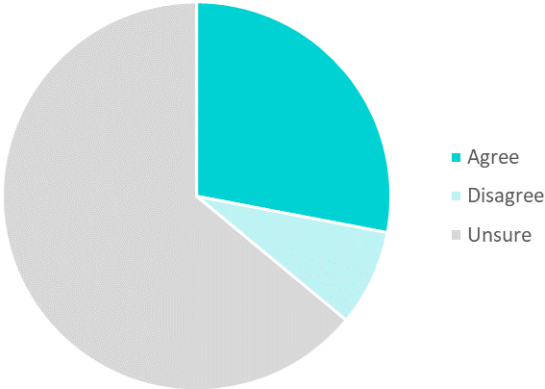
Here are four things that pension funds should consider regarding social media and audience engagement.

1. If pensions were to do only one thing regarding social media, then that one thing should be listening. Conversations are happening that are relevant to your organization, your reputation, and your stakeholders. You can't participate in or influence those conversations if you aren't listening first.
2. Social media as part of an organization's overall communications plan is no longer optional. Furthermore, you have to post several times per week at a minimum to ensure visibility and have the algorithms work in your favour. You are battling for people's attention. Still, there are tools and strategies to work smarter rather than harder to make social media manageable and worth doing.
3. An organization does not have to be on every social media platform, but it also can't be on just one. Your audience spans a broad spectrum of ages, interests, and preferences, which are manifested in the social media platforms they use the most. Furthermore, organizations often make incorrect assumptions about social media platforms and their users based on their personal experiences with social media, which can skew their thinking in the wrong direction. Pensions need to focus on the stakeholders they wish to reach, where those stakeholders spend their time on social media, what they say, what type of content they consume and how they like to consume it. Based on those factors, you can then prioritize which social platforms to focus on.
4. While many organizations still devote a lot of time to writing content, they should be adding richer media, such as video, to their content mix because that is where content consumption is headed. With established platforms like Instagram and emerging ones like TikTok, there really is no choice but to have video content.
5. Don't get hung up on production value. If the COVID-19 pandemic taught us anything about content production, it is that we will forgive production value for access. Think about all of the shows we watched where the hosts were in their homes rather than in a studio. We just accepted it as the new normal. This may have been one of the factors that gave rise to the phrase 'just send it'. Being fast and relevant is better than slow and irrelevant. Lower production value does not mean lousy production value. There's a difference. It just means don't let perfect become the enemy of good. Most social video content is watched without audio on a phone so let that inform your approach to rich media production.

Your approach to social media, as part of a communications strategy, should serve existing stakeholders but evolve over time as tastes and preferences change. The social media landscape changes quickly and, if you are not careful, you will constantly be playing catch-up, or risk being left behind.

26% of survey respondents indicated that their pensions' brand was important to them, while 74% said brand was not important. When asked if their pension had a positive impact on society, a whopping 64% of survey respondents were unsure – implying a significant opportunity to educate members on the value of pension plans.

Figure 26: My pension has a positive impact on society.



Source: Fuse Financial Insights Survey 2022



**A Question
from your
Peers**

“How do you think about the role of emotion in communications for the pension industry? “

The role of emotion proved to be the most provocative of the peer questions, which usually means we’re collectively on to something!

Participants agreed that considering emotion in pension communications is “in its infancy” for the industry; however, from there, perspectives diverged on whether emotion was an essential or risky tool to deploy.

Some had high conviction that pension communication happens “in the context of something important that is happening to the member” and, as a result, cannot be created without both acknowledgement of the member’s emotion and expression of the emotion we hope to inspire as part of our member service.

Others felt strongly that inspiring emotion at all created unnecessary risk, particularly of the “dark side” of issues like pension envy.

Others sought to balance creating emotion about “us as a firm” but not evoking emotion in the member in their communications and saw emotion as having a role to play but aiming “not to over-index on it.”

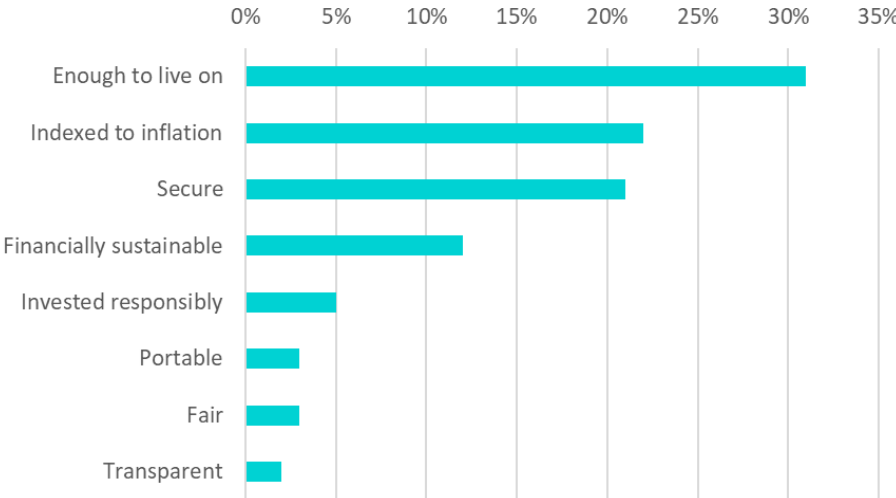
Many peers reframed the question, preferring to bring empathy, authenticity, or humanity (rather than emotion) into their communications efforts.

The conversation also triggered fascinating dialogue on the “third rail” issue in the pension industry at large – that not enough Canadians have not enough pension coverage to provide secure, stable income in retirement. More emotion about this issue may be an effective way to generate popular support for action, but this would be a drastic departure from the industry’s legacy approach. In fact, as one peer observed, “there’s not a lot of emotion in the industry culture itself” so the use of emotions in communications is naturally uncomfortable in this historically product-centric, accuracy-focused environment.

Which makes this question – and the discussion it inspired – even more important!

Personal financial concerns dominated the rankings by survey respondents asked about the most important thing about their pension. Interestingly, fairness, a focus of plan design dialogues, and transparency, often a driver of the comprehensive nature of our communications, ranked as least important to Canadians.

Figure 27: To me, the most important thing about my pension is that it is:

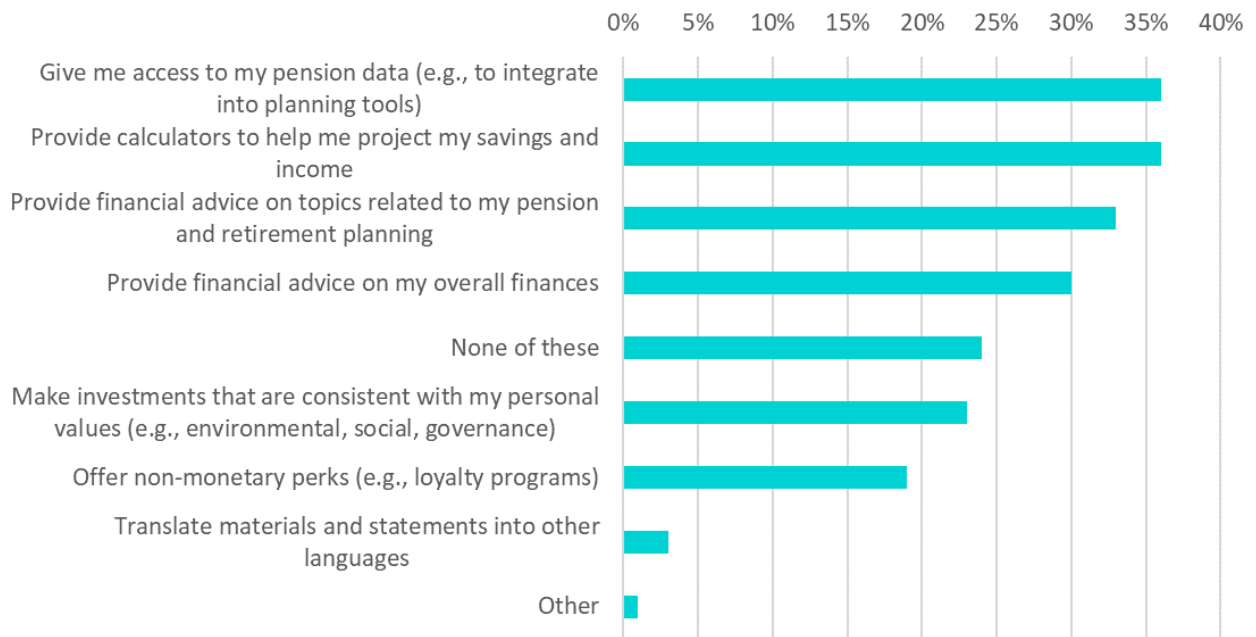


Source: Fuse Financial Insights Survey 2022

We asked Canadians what additional things a pension could do for them that they would value, as part of our ongoing investigation of how the pension value proposition should evolve; however, this question offers insight for communications professionals seeking insight into areas to create content and engage stakeholders as well. A meaningful number of survey respondents were open to financial advice on pensions (33%) and financial advice on overall finances (30%) from their pension, indicating an interest in personalized financial education. 36% prioritized calculators, which would be arguably more effective with a narrative or gamified experience that communications should inform. 23% indicated a preference for investments that are consistent with their personal values, which opens a door to engage

differently with stakeholders to understand those values as well as tell the story of how pension activities may or may not align, and why.

Figure 28: What additional things could your pension do for you that you would value?



Source: Fuse Financial Insights Survey 2022

Achieving Outcomes: Looking to the Future

Where are pension communications leaders focusing for the future?

The leading priority continues to be building trust with stakeholders – *all* stakeholders, as participants emphasized in interviews. This is a bold ambition given the complex stakeholder environment characterized by diverse needs and, often, differing opinions. Trust is considered the core communications objective – “our purpose is peace of mind” – and earning and keeping it is perceived to be getting harder. As one participant noted, “financial skepticism hits pensions too.” As organizations mature and change in our complex operating environment, trust is an imperative.

Figure 29: Communications Objective ranked as most important



Source: Fuse Survey

Second ranked was communications opportunity to advance strategic priorities, with one peer noting “the things that matter most to the organization, without exception, have significant communications needs.” Throughout this research, communications as enabling and representing the success of the broader organization was a consistent theme.

Managing reputational risk was also noted as a priority for communications, to “protect, then amplify” the pension’s value.



**A Question
from your
Peers**

Communications' ability to focus on educating stakeholders was viewed as similarly foundational, as clear information is critical to good decision-making.

“What are your objectives in member education, and why?”

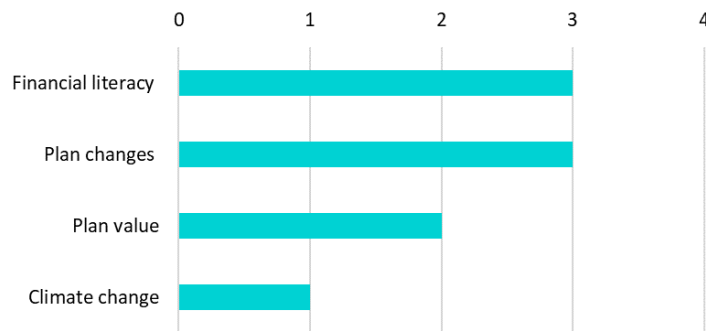
Peers expressed types of goals in member education:

1. Reputational goals, where member education is about introducing the firm and communicating its value;
2. Service goals, designed to support a positive member experience – “in order to be there when they need us, we need to educate members on when they need us”; and,
3. Operational goals, where education efforts are focused on changing how members interact with the pension.

Peers shared the importance of maintaining “a drumbeat of [member education] content”, ideally supported by self-service and interactive tools that can engage members in learning. Firms are also experimenting with “laddering up the experience” – phasing learning content into series' of interactions, rather than trying to explain all relevant information in a one-and-done session.

Some organizations are also shifting the tone of their education, leaning into the emotion that pension engagement can create: as one peer described, “we're pivoting aggressively to telling members why this is great, rather than saying something neutral and hoping members figure it out.”

Figure 30: Most pressing issue to navigate with stakeholders



Source: Fuse Survey

Alongside future objectives, communications leaders in the pension industry are keeping their focus on several critical issues to navigate with stakeholders. Financial literacy and plan changes were identified as top priority for a majority of research participants.

Financial literacy is considered foundational to positive interactions with stakeholders – but also a nebulous challenge for pensions to address. “We have to do some table setting before we can talk to people about their choices.” This challenge is pervasive, with peers citing a lack of financial literacy from specific geographies in Canada (without a focus in school or local industry in finance) to the press (who can unwittingly misrepresent pension detail). Several participants mentioned the fine balance between advice and financial education, and a focus on proving the impact of their literacy efforts with stakeholders.

Several participating pensions are planning or executing plan changes currently, and others have this issue top of mind given the ever-present potential for political and social change on the issue of pension envy. An inflationary economic environment also increases focus on communicating elements of plan design.

As a result, communicating plan value emerged as a related top priority. For some, this priority is about addressing challenges with commuted value volumes as well as improving trust with stakeholders. For others, plan value remains the most important hedge against external perceptions.



**A Question
from your
Peers**

Finally, climate change was identified as an important issue to navigate with stakeholders because, in today's operating context, "it weaves its way into everything." Research participants are addressing this topic on multiple fronts, from communicating enterprise ESG commitments and goals to considering the carbon footprint of the communications function.

"What communications innovations do you believe are next for the pension industry?"

"Almost anything can be an innovation in pension communications" was a common peer sentiment, given the typical industry approach. Pensions are fiduciaries, appropriately risk-averse and generally selective followers on innovation. But, as one peer characterized it, "this creates opportunity to adopt innovations as they become economically viable."

Peers shared insights and ideas for pension communications innovation in three categories:

1. Operating innovations, in areas including:
 - o Technology, experimenting heavily with video content, carefully with social media, and keeping a curious eye on the potential for natural language processing, artificial intelligence and even the metaverse;
 - o Analytics, considering ways to collect and use new information "using data to inform the storytelling"; and,
 - o Issues management, exploring where technology can deliver advantages in sensing and monitoring;
2. Industry innovations, such as the opportunity for broader industry collaboration on shared communications priorities; and,
3. Value proposition innovation, where some firms are exploring opportunities to offer new products and services, from financial advice to expanded pension coverage for Canadians.

Peers admitted there are many new-to-pensions innovations to benefit from in the communications space – the challenge and opportunity is in defining a clear strategy for why and how to leverage innovation for the benefit of stakeholders and the organization.

Innovation in Pension Communications: Starting Small, Growing Bolder

Much of the day-to-day work of a communications professional involves the planning, production, and distribution of tactical communications. These are products that communicate to stakeholders in the service of one or more larger communication objective or strategic goal.

Just as communications technologies are evolving rapidly, the communications tactics in pensions communications are shifting. While many participants noted that pensions are conservative when it comes to new approaches, there are firms beginning to test and learn with interesting and innovative communications tactics.

Many organizations are making use of **video** in the dissemination of annual reports, a move that prioritizes customer-centric communication. When organizations use video to report to their members, they are demonstrating a strategic commitment to transparency and accessibility.

In many instances, there are **clear links** between web content, investing decisions, and professed organizational values. For example, many organizations make explicit commitments to combat climate change and promote sustainability. This commitment is supported by responsible investing (such as Net Zero targets) and climate related content on digital platforms. In the case of OPTrust, this commitment is carried through into a broad theme of preservation, aligning the pension goal of “paying pensions today; preserving pensions for tomorrow” with the broader advocacy goal of environmental preservation.

Many pensions make strong commitments to **education**, foregrounding content like member training, information, and news across platforms. The most innovative approaches are considering laddering educational content – offering bite-size pieces of information and layering on complexity, rather than assuming one central interaction with a member that must include all relevant information.

What is notable in all of this, is that these tactics are linked to organizational objectives and strategic goals. When asked about future innovations in pension communications, most interviewees were careful to point out that the pension industry doesn’t need innovation just for innovations sake. We are only interested in innovations that help us meet our goals.

A great example of an innovation that is clearly grounded in strategic goals is the CAAT **podcast** *Contributors*. While it engages leaders on the pension adjacent topic of “securing a better and brighter future for Canada,” it aligns rhetorically with a strategic goal: that pensions need to be promoted and protected as an important part of securing financially stable futures. By offering engaging and informative content, *Contributors* has seen incredible download and completion rates – data that proves its impact.

Another is the Local Authorities Pension Plan (LAPP), which has accelerated their member engagement efforts with an innovative **brand** that features humorous cartoons and an animated pension guide named Ben E. Fit who supports member education with his motto, “always a LAPP ahead”. Pension communications are serious, but they don’t need to be boring!

As a final example, the University Pension Plan (UPP) is pushing the boundaries of traditional member **engagement**, with extensive surveys on key topics like communications preferences and responsible investing and heightened transparency, with town hall sessions available for review on their website. Their commitment to collecting and using feedback is central to a strategic goal of building trust with members and indicative of a growing industry comfort level with more open and potentially vulnerable dialogue with stakeholders.

The gems of innovation in the pension industry shine brightest when there is **internal consistency** in the development and implementation of clear mandates, objectives, and strategic goals within the communications capability. And, in some cases, these connections are quite easy to make: for example, does your organization have a strategic commitment to information transparency? Are you using videos to simplify reporting and reach broader audiences? That communication tactic (simple reporting using video) is evidence of achieving your strategic goal (information transparency). When communications achieve a strategic goal, make it count by actually counting it!

Much of communications investments and efforts are invisible to external stakeholders, but this should not be true internally to an organization. Alignment between strategy, objectives, and tactics must be explicit, acknowledged, and resourced. Linking innovations to our goals can broaden the scope for experimentation – and prove its value.

Elevating Pension Communications

At Fuse, we believe the discipline of communications is emerging as a critical capability in the pension industry – and an area of opportunity and innovation. It is our goal to help elevate communications and its impact; we will continue to evaluate and monitor industry progress on key dimensions of the capability in future evolutions of this research.

Until then, our findings from this work lead us to encourage pension communications leaders to consider the following:

Set your strategy. A clear, compelling, and integrated set of choices on where communications will play and how it will win is a foundational element of a successful capability. Is there a strategy team in your organization? If so, find ways to work together. Choose tactics that tie directly to your strategic goals, and KPIs that measure their impact.

Study your stakeholders. Communications must talk to customers – and listen to what they tell us. Use quantitative and qualitative research, surveys and feedback to engage with stakeholders, informing and validating strategic choices.

Focus for impact. Triangulate between your mandate, your stakeholder prioritization, and your capacity to ensure communications is focused on the right things, at the right time – this is how communications can begin to get proactive. Do not neglect issues and crisis management, because an ounce of prevention truly is worth a pound of cure.

Leverage enterprise technology efforts. Communications-specific technology can be expensive, low priority or overkill for the pension context. But broader digital transformation is happening! Get involved with enterprise initiatives to ensure communications-relevant functionality and data are delivered.

Encourage bravery. Communications has an incredible opportunity to help pension organizations overcome their fear of the new. Experiment, pilot, test and learn; today's low engagement and awareness metrics mean there is nowhere to go but up.

Endnotes

¹ Glenn, Ted. 2014. Professional Communications in the Public Sector. Toronto: Canadian Scholars' Press.

² Martin, Roger. 2021. [Strategy vs. Planning: Complements not Substitutes](#). Medium.

³ Martin, Roger. 2021. [It's Time to Accept that Marketing and Strategy are One Discipline](#). Medium.

⁴ [Flesch Reading Ease and the Flesch Kincaid Grade Level – Readable](#)

Acknowledgements

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Would you like to learn more about this research, or how we can help you apply it? Do you have questions, comments, or ideas to share? Please contact:

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