



**Pensions
Management
Institute**
Moving pensions forward

When **sorry** seems to be the hardest word

The science behind communicating change

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In the pensions industry we're no strangers to change, whether it comes in the shape of legislation, regulation, technology, working practices or a sponsoring employer's business strategy or financial position.

It's easy to get caught up in the complexities and forget that – at their heart – pensions are about people and the lives they lead both now and in the future. It's particularly important to remember this when it comes to communicating change, because it can help us anticipate and understand how members may react.

So how do you communicate sensitive times of change with clarity, whilst minimising confusion and anxiety?

Over the next few pages, we explore how understanding human behaviour can help you to communicate even the most difficult and complex of messages.

An example

GMP equalisation – a pension communicator's nightmare

One change we've seen many schemes grappling with recently is GMP equalisation – a topic that seems designed to put pension scheme members off engaging with pensions at all. A three-letter acronym followed by a five-syllable technical term – urgh!

We all know that GMP equalisation is a complex topic and that there may be winners and losers as schemes work out if members have been over or underpaid. But because it's technical, it can be easy to forget that, at its most basic, this is all about managing change.



The impact of getting this right

The words you use and the actions you take today, impact the lives of your members in the future. And with so many members relying on you, it's worth communicating well.

Communication is most effective when we understand the membership, know what they think and feel about their money, and the part their pension plays in their broader finances. Building communication from this level of understanding, helps what you're saying land in a trustworthy, empathetic, and impactful way.

If you don't do this, there's a risk that your membership won't connect with what you're trying to say. Disconnection builds a lack of trust, which will have a negative financial impact on your membership and the society we live in.

So no pressure, but communicating effectively in your role is important!

Going back to basics – the communication roadmap

When we're communicating change, we must start by understanding where people are in relation to the topic and where we want them to be. That means we have to...

- Talk about the process – why is this happening, when and how
- And talk about the outcome – be specific about what this means for the individual

The reason it's so important to put the person at the heart of the communication is because there's always a context, a bigger picture that surrounds the change. And that's where the nuance lies.

Using GMP equalisation as an example, this news is being communicated at a time when members may already be feeling concerned about their everyday costs rising. How will this news make them feel?

They may already feel anxious and slightly intimidated by an official looking pension communication – and, regardless of whether you're sharing good or bad news, any uncertainty will add to that.

As humans, if we're told something is about to change but we're not told what or how, we're programmed to think the worst.

So, when you communicate, consider carefully:

What do I want to say?

What's the one thing you actually want to say? It might even be "sorry" if it's bad news and recognising it as such.

Is what I'm about to say going to remove uncertainty?

If yes, even if the message you're sharing isn't positive, at least the individual will know what's happening and how it affects them. If no, you probably want to think about whether it is the right time to share the news.

Can I communicate this all at once or does it need to be broken down?

Don't be afraid to communicate more than once, to help people to understand what's happening and allow them to adapt to any changes. This can also help you to ensure you're providing just enough information, to avoid overwhelming the reader.

Am I showing empathy for the person I'm communicating with?

Being empathetic to the person receiving the news is important, it can help you to communicate sensitively and consider how other people might react. It's important to show empathy but ensure you do so in a constructive and measured way.



Striking the right tone

– the importance of empathy

The “bad” in “bad news” refers both to the stress experienced by the person sharing the news and the stress felt by the person receiving it.

There are different types of empathy:



Cognitive Empathy

Being able to see someone else’s perspective which can sometimes be known as ‘empathy by thought’.



Emotional Empathy

Feeling another person’s emotions as if you were experiencing them.



Compassionate Empathy

Feeling concern for someone and taking action to help them solve the problem.

When sharing “bad news”, worries about how the other person might react – or even our own emotional reaction – can be a blocker.

When communicating a change, Emotional Empathy can result in the person sharing the news becoming overwhelmed with their own emotions and being unable to communicate effectively.

If we want to communicate successfully, it’s important to try to put our own concerns and emotion aside so we can truly understand how the message that we’re delivering might make the other person feel, which is much more aligned with the Cognitive Empathy approach.

Communicating with Cognitive Empathy can be broken down into five steps.

Five steps to communicate change successfully

1. Knowledge

Using GMP equalisation as an example, you’ve known this has been on the horizon for some time, but it’s likely that it will be news to most of your members – and something that could take them by surprise.

Build up your members’ knowledge by:

- Explaining what’s happened and showing them what you’ve done so far – clearly explaining the process
- Telling them what will happen next – and being transparent about dates
- Being clear about what it means for them – and honest about any potential impact and scope of the change

It’s also important to ask yourself:

- Is this the most appropriate time to share the news?
- Are there other things going on that might impact on how your members might think or feel?
- Can you communicate this all at once or will multiple messages be needed?
- Do your members need anything else – like someone to talk the change through with them?

Top tip

If you’re unsure of how much your members know about the subject or how they might react, you may find it helpful to create some personas and empathy maps to help you explore this in more depth.

The collage shows three empathy maps for personas: Cass (46, HR Engineer), Amy (55, Part-time teaching assistant), and Zarah (35, HR Manager). Each map is a diamond shape divided into sections for 'think and feel', 'hear', 'see', 'say and do', 'pain', and 'gain'. The maps also include photos of the personas and their specific details like age and job roles.

Five steps to communicate change successfully

2. Connection

It's important to plan well alongside other messages about the pension scheme that you're delivering to members. Does your message re-enforce or undermine other messages being communicated?

It's important to be transparent about how this connects with how you manage the pension scheme generally.

To maintain trust and confidence with members:

- Explain how the issue came about
- Be honest about the likelihood of it happening again
- Share what you are doing (or plan to do) to prevent it happening in the future

3. Mindset

We've already identified that, in the example of GMP equalisation, the news may cause uncertainty.

We should recognise this when we communicate and help to minimise any uncertainty or stress, by:

- Explaining how the problem is being solved
- Letting the member know that they don't have to do anything – and that this isn't their fault
- Ensuring that you don't give any mixed messages
- Being honest about the fact that they can't change the process or influence the outcome – but that you're looking to resolve this as quickly and painlessly as possible for members
- Giving members the opportunity to talk to someone or provide feedback if they want to

Top tip

Any change is likely to result in an emotional response, so it's ok to anticipate and acknowledge the members feelings before addressing the practical aspects of what's happening. One way that you could do this is by saying:

"We appreciate that this news may come as a surprise to you, but..."

Five steps to communicate change successfully

4. Trust

Changes, like those we see with GMP equalisation, have the potential to undermine the members' trust in the administrator, the Scheme and possibly pensions more broadly. However, communicating them well can help you build a stronger foundation of trust with your members. Some of the techniques that can be used to do this include:

- Delivering consistent communication, both in terms of tone and design, to build up brand recognition – "I know who this is from and they're a trusted source of communication"
- Matching members' preferred tone of voice and style of communication
- Over-explaining where appropriate but not patronising – to ensure that members understand what you're sharing and to prevent members filling in the gaps incorrectly
- Using an active voice in the communication

This base level of trust may be enough to help you to communicate successfully, however there are other strategies that may help you to maintain trust with members. An example is a 'lose-win' strategy. This is where the person believes, if I give up something and support you this time, you will support me next time. This may not be appropriate in all cases, but something you may want to consider. For GMP equalisation, a good example could be: **"We're correcting this for future payments but we're not going to reclaim any past overpayments"**

The importance of trust in a scenario like this shouldn't be overlooked. It's a great example of why setting the right foundations with your membership through consistent and regular communications, is key.

5. Social identity

Trustees have a responsibility to look after all of the members of their schemes. And, at their heart, most members want to be seen as good people too and to identify with "doing the right thing" – that's where the concept of 'social identity' comes in.

Going back to our GMP equalisation example, reminding people that you're making this change as it's the fairest option for all of your members can help with how the message is received.

Another thing to remember is that members don't live in the pension world, so:

- they won't realise that changes like this can happen
- they won't understand that these changes are happening to other people too

You can set this into context through the words that you use, for example: **"We know you didn't think this would be coming, but changes like this are happening to most members with final salary benefits. We just thought it's important we explain the changes and be clear with you."**

Ultimately, this is about teaching people that they can't control the future, but they can learn to adapt to it – and they're not alone.



Your checklist for success



- Plan the message** – think about the messages you want to share with your members – and refine it to just one. What is the one thing you want to say to your people? If you want to say “sorry” then say so.
- Anticipate and acknowledge your members’ feelings** – create an empathy map and consider all of the possible emotional responses, so that you can shape the communication to meet the needs of your people.
- Build up your members’ knowledge** – by explaining what’s happened, clearly explaining the process, telling them what will happen next, and being clear about what it means for them.
- Make the connection** with how this relates with the other messages you want to share about the scheme.
- Consider the members’ mindset** – recognise this when you communicate and help to minimise any uncertainty or stress by being clear about how the problem is being solved, what they need to do, and giving members the opportunity to provide feedback.
- Build trust** – be clear, consistent and concise, focusing on the why more than the what. “We did X because...”
- Be aware of the power of social identity at times of change** – helping members to see that they aren’t experiencing the change alone and others are impacted.
- Give hope** – where possible, help members see the light at the end of the tunnel. So while you might be delivering bad news, explain how you’d avoid this happening again.

And, above all, remember that you’re not explaining a complex technical issue; you’re taking people into your confidence and sharing with them something that could be bad news for them and that you know but they don’t. If you think about it like that, you’re more likely to craft a message that achieves the desired effect.



If you’d like help with your communication, contact us for more information:

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