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Communication of Fiduciary Risk for Workplace Retirement Plans

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Walden University

College of Management and Technology

This is to certify that the doctoral study by

George M. Blount

has been found to be complete and satisfactory in all respects,
and that any and all revisions required by
the review committee have been made.

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Walden University
2020

Abstract

Communication of Fiduciary Risk for Workplace Retirement Plans

by

George M. Blount

MBA, Walden University, 2007

BS, Johnson & Wales University, 1997

AS, Johnson & Wales University, 1995

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

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March 2020

Abstract

More than 100 new 401(k) plan complaints were filed between 2016-2017, the highest two-year total since 2008-2009. Plan sponsors of retirement plans face personal financial liability for the risks associated with litigation focusing on their fiduciary responsibility. Grounded in the behavioral governance framework, the purpose of this qualitative case study was to explore the communication of risk for workplace retirement plans. The participants comprised 10 business leaders who are fiduciaries responsible for their company's retirement plan with a national geographic footprint. Data were collected from semistructured interviews. Thematic analysis was used to analyze the data. Themes of benchmarking, the efficacy of committees, and resources to minimize risk were evident. Given the uncertain environment, fiduciary insurance and documentation of processes should be a standard practice among fiduciaries. The implication for social change is a leadership approach, inclusive of change management aspects, to amplify the trust of business leaders while mitigating organizational risk.

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Dedication

I dedicate my doctoral study to my daughter, Ella Skye Blount. She was born on December 22, 2017, however, once I became aware she would enter my life early in 2017 I had become reinvigorated and intensely focused on completing my study. Early in the process, the thought of contributing to academic scholarship was a good motivator. Future academics, students, or business leaders may review my work and find some insights that may be helpful. All of that changed when I began to think that my daughter would someday, hopefully, read my study.

My study captures my curiosity, hopefulness, diligence in research, and the beginning of a new phase of my life. I chose my topic because I hope people have a secure retirement; after working their entire lives people deserve a break, and to do so the financial wellness resources available in retirement plans are essential. I hope that when Ella is an adult, it has become easier for her and her peers to be financially healthy. I hope this research contributed in some way to the continued efficacy of retirement plans and financial wellness.

To my family and friends that have supported me on this journey, thank you. The motivation and inspiration to complete this process came from several places. Everyone's willingness to discuss their opinions, hear about my research, and show a genuine interest provided boosts at times I needed them most. Similar to my wish for Ella, I send a similar wish to you. I hope the results of my research provides a small step to become easier for my friends and family be financially healthy.

Acknowledgments

To my wife Farah, daughter Ella, mom Betty, brother Shawn, niece Chyna thank you for your support and understanding. To all my other family and friends, thank you for your kind words and support.

I sincerely appreciate the support of the Walden University staff. Special thanks to my chair Dr. Dina Samora, and Dr. Fred Walker (second committee member) for your feedback and guidance. The completion of my study would not have been possible without your patience and leadership throughout this process.

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Section 1: Foundation of the Study

Defined benefit pension plans have been supplanted in favor of defined contribution, 401(k) retirement plans as the preferred savings vehicle for U.S. workers (EBRI, 2017). The onus has shifted to the employee in terms of investment selection, savings rates, and overall preparedness; the employer still maintains a level of fiduciary responsibility that is agnostic to product type (Guerriero, 2017). The assessment of risk is correlated to a change in product type with higher exposure to market risk and lagging financial literacy rates. Plan sponsors must revise the assessment of liability associated with workplace retirement plan to mitigate the rising costs of organizational risk.

Background of the Problem

A statistical trend data set by the Employee Benefit Research Institute (EBRI) indicates from approximately 1980-2010, a shift toward the defined contribution plan, more commonly referred to as a 401(k), increased in popularity and became a proxy for retirement (EBRI, 2017). The increased popularity of the 401(k) within the business community also posed negative downstream impacts; one area was an increase in litigation of fiduciary breaches, in which companies must properly assess the organizational risk of such plans and develop practices to mitigate such risks (Mellman & Sanzenbacher, 2018). A description of fiduciary duties appears in the Employee Retirement Income Security Act of 1974 (ERISA), in which a breach is possible by failing to adhere to the stated duties (Guerriero, 2017). Retirement plans in the workplace were a form of recognition and reward; the threat of litigation has increased risk in the years preceding the financial crisis of 2008 beyond the scope of recognition for tenured employees (Ferreraand & Schleppegrell, 2015; Pratt, 2016). Pearl and Daley (2016) found that between 50-60 class action filings of fiduciary breach lawsuits against plan sponsors in 2016.

A 2015 lawsuit against Intel Corporation for fiduciary breaches contends that the employer is responsible for the $60 million of additional retirement savings lost because of failing to select a cheaper available suite of mutual funds for the employees (Kasten, 2016). Polyak (2016) theorized that employees have become emboldened to litigate employers, alleging mismanagement of the 401(k) by employers compromises the retirement preparedness of employees. Workplace retirement mismanagement entails potential conflicts of interest, excessive fees, and poor plan design (Polyak, 2016). Additional factors include favorable rulings on behalf of plaintiffs in lawsuits against employers (Rosenberg, 2011) and an expanding scope of fiduciary liability under the Department of Labor (DOL) new fiduciary standards (Pratt, 2016).

The exploration of organizational risk associated with workplace retirement plans served two purposes. The first was to understand how to account for risk accounted within an organization's workplace retirement plans. The second was to provide alternative approaches which mitigate fiduciary liability and increase employee engagement. In a manner which was consistent with the assessment of engagement toward an organizational goal, I applied leadership theories and constructs as the framework to understand this phenomenon.

Problem Statement

Retirement plans in the workplace are a form of recognition and reward. Plan sponsors of retirement plans must also account for the risks associated with such plans. The threat of litigation related to the reasonableness of fees and the best interest of plan participants has increased, hence an increase organizational risk preparation for due diligence is appropriate (Ferreraand & Schleppegrell, 2015; Pratt, 2016). More than 100 new 401(K) plan complaints were filed between 2016-2017, the highest 2-year total since 2008-2009 (Mellman & Sanzenbacher, 2018). The general business problem is the growing fiduciary liability leaders realize associated with workplace retirement plans. The specific business problem is that some business leaders lack the guidance of strategies to minimize the risk of workplace retirement plans for their organization.

Purpose Statement

The purpose of this qualitative multiple case study was to explore the strategies stakeholders presented to business leaders to minimize the organizational risk of workplace retirement plans. Employers receive guidance in this area through several stakeholders associated with the retirement plan operation. Ten business leaders responsible for retirement plan operations represent the participant base. The 10 business leaders represent a national geographic footprint as well as a different subset of industries in which the plans operate. The Edelman Trust Barometer is an annual global study of trust among institutions; in 2018, 72% of respondents indicated they trust employers while the benchmark of trust in U.S. financial services declined by 23%(Edelman, 2018). My study, related findings, and conclusions are the initial phases of research in which risk mitigation occurs through a maximization of trust. The implication for positive social change suggests employers use inherent trust to increase the trust of financial products. By limiting the distrust in financial service firms using workplace retirement plans, business leaders could extend the trust of employers to financial services alleviated while protecting the retirement preparedness activities of consumers.

Nature of the Study

The research study was a qualitative exploration of the organizational risk associated with workplace retirement plans through a multiple case study design. Through an explorative exercise, I investigated the problem through a holistic lens. The investigation of a problem through a holistic lens is a practice Cronin (2014) described as beneficial in qualitative studies in which individuals, groups, activities, or phenomena are highlighted. A quantitative study allows the researcher to test a hypothesis given a set of standards, to elicit facts through hard percentages or numbers (Barnham, 2015). In the case of organizational risk mitigation, such factual data was in its infancy. A deeper understanding applying a qualitative method was preferred, limiting the viability of quantitative and mixed methods approaches.

Yin (2017) espoused the value of case study design through an ability to address complexity and contextual conditions, among other methods such as survey or experimental research. A case study design approach is well documented to provide a framework for a researcher analytic or conceptual generalization which defines the basis of the case to a broader population of related cases (Yin, 2017). My study was not an exploration of the lived experience or individual essence of risk so phenomenological strategies would not be prudent. Narrative or ethnographic studies are adequate to study the shared, unique, or environmental experiences associated with individual retirement (Yates & Leggett, 2016) but such findings were out of scope for my research and analysis. My ability to adapt to the enhanced experience of unique situations through interviewing, an idea discussed by Cronin as a function of the case study approach was more beneficial.

Research Question

What guidance is provided by stakeholders to formulate strategies business leaders use to minimize the organizational risk of workplace retirement plans?

Interview Questions

1. How do you minimize the organizational risk of the workplace retirement plan?
2. What strategies do you use to minimize the organizational risk of the workplace retirement plan?
3. What tools and resources minimize the organizational risk of the workplace retirement plan?
4. How were you advised on the fiduciary liability associated with your organizational workplace retirement plan?
5. What steps has your organization taken to minimize fiduciary liability?
6. How is an organizational risk of retirement plans communicated to managers and directors of the organization?
7. What are your top three resources used to mitigate organizational risk of workplace retirement plans?

8. What approaches or strategies toward organizational risk of retirement plans that have not been discussed that may be important to this study?

Conceptual Framework

Leader-member exchange (LMX) theory is a framework that originated in 1975 through the works of Dansereau, Graenm, and Haga (Northouse, 2016). As an evolution of vertical dyad linkage (VDL) theory, LMX theory practitioners expand upon the interactional relationship between leaders and followers. Two potential interactional outcomes of the LMX approach include in-group and out-group behaviors, a factor in how to manage engaged and disengaged members (Northouse, 2016). Facets of LMX theory research identifies a causal relationship to positive employee behaviors such as job satisfaction, commitment, creativeness, positive citizenship behavior, and alignment to reward systems (McCleskey, 2014; Northouse, 2016). Another, LMX is a prescriptive model among leaders and followers. A prescriptive model in that the content delivered to leaders evolves naturally, is trainable, can be developed over time, and may apply to various levels of an organization.

The mitigation of risk within workplace retirement plans must account for the discovery of strategies to identify risk as well as implementing such findings. Workplace retirement plans operate as an elective employee benefit, participation is not required but an optional benefit provided by employers; I used a conceptual framework that addresses activities which extend beyond normal job responsibilities. LMX is a prescriptive model, the results of my research and analysis may apply to businesses of all sizes and varying levels of leadership experience.

Operational Definitions

401(k): A 401(k) participants (employees) can elect to defer receiving a portion of salary, which is instead contributed on their behalf, before taxes, to the 401(k) plans (DOL, 2019). Employees who participate in 401(k) plans assume responsibility for retirement income by contributing part of their salary and, in many instances, by directing their own investments (Ali & Frank, 2019; Cumbie, Ice, & Krishman, 2018).

Defined contribution plan: A defined contribution plan enables the employee, the employer, or both contributions to the employee's individual account under the plan, sometimes at a set rate (DOL, 2019). The employee will ultimately receive the balance within accounts, although, the value of the account will fluctuate due to the changes in the value of the investments (Ali & Frank, 2019; Cumbie, Ice, & Krishman, 2018; DOL, 2019).

Defined benefit: A defined benefit plan promises a specified monthly benefit at retirement (DOL, 2019). The plan may state this promised benefit as an exact dollar amount or it may calculate a benefit through a plan formula that considers such factors as salary and service (Ali & Frank, 2019; DOL, 2019; EBRI, 2017; Vanderhei, 2013).

ERISA: The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that requires plans to provide participants with plan information including important information about plan features and funding; sets minimum standards for participation, vesting, benefit accrual and funding; provides fiduciary responsibilities for those who manage and control plan assets; requires plans to establish a grievance and appeals process for participants to get benefits from plans; gives participants the right to sue for benefits and breaches of fiduciary duty; and, if a defined benefit plan is terminated, guarantees payment of certain benefits through a federally chartered corporation (Costin, 2018, DOL, 2019).

Goal efficacy: Goal efficacy is a concept that describes the design of goal. Includes a person's belief in their ability and how such abilities will lead to success or failure (Weiner & Doescher, 2008). If a person believes in a higher likelihood of failure, they are less likely to exert effort.

Plan sponsors: Plan sponsors are business leaders who act in fiduciary capacity for their organizations (Guerriero, 2017). Plan Sponsors may be synonymous with employers, business leaders, sponsors, fiduciaries, or owner.

Retirement Plan Committee: Members of an organization who serve in an advisory capacity to ensure there is varying voices in the overall process and decision to select a plan (Geller, 2015).

Assumptions, Limitations, and Delimitations

Assumptions

Researchers are limited by the human nature of knowledge, research is not value-free or neutral (Kirkwood & Price, 2013). As a researcher, I assumed that all participants will answer questions honestly. When discussing the implementation of workforce retirement plans, organizational risk assessment, and the dyadic relationship between an organization and its employees, my assumption was that respondents answer to their best capabilities. Various platforms permit the use of a workforce retirement plan: for this study, an assumption that corporations use defined contribution plans, or 401(k) was made. Assuming a 401(k) as the program of choice, the risk is assessed based on the presence of mutual fund investments as funding vehicles for retirement savings. Unlike individually managed IRA, 401(k) investments within the plan features are selected by the employer for the benefit of the employee inferring fiduciary responsibility (ERISA).

Limitations

As described by Brutus, Aguinis, and Wassmer (2012), citing the 1993 work of Campion, researchers must acknowledge the realistic limitations and weaknesses of the research present. Given the limited time frame of an initial study, I was limited by how in-depth discussions of financial literacy of business leaders and participants. Acknowledging the additional factors of suboptimal use of workplace retirement plans such as financial education, retirement confidence, and risk aversion was prudent. Several factors may cause a participant in a retirement plan to think as if they are ill-equipped to make retirement plan decisions. An individual may not have a proper degree of financial literacy to experience comfort with the decision. Given one's earnings and potential future earnings, the individual may not possess a confidence that retirement is a viable option. My research, analysis and findings do not represent a medium to assess the organizational risk associated with these specific acts, in its place the results of my research and analysis hope to address the holistic nature of organizational risk.

Delimitations

Faulty language may lead to faulty conclusions which makes it difficult to compare one set results to another normative set. In the example of my research and analysis, the research was used to frame the appropriate scope and boundary of my study.

Delimitations address the scope of workplace retirement plans and organizational risk explored in my study. The scope of my study was to explore the assessment of organizational risk associated with workplace retirement plans. Within the scope of study I addressed an understanding the fiduciary liability, the external litigious environment, and the potential for losses associated with fiduciary breaches and practices to mitigate such risk. My analysis did not compare defined contribution plans versus other plan types, address individual retirement plans such as IRAs or address retirees within the scope of my research findings.

Significance of the Study

Some business leaders have noticed an increase in organizational risk associated with workplace retirement plans (Mellman & Sanzenbacher, 2018). The results from this study may allow leaders to identify and mitigate risk based on exposure originating from the investment offering. Exposure includes Index and Stable Value fund claims, the offer of guaranteed benefit funds in which fixed rates adjust unilaterally, and the offer of alternative investments outside of traditional asset classes (Rachal, Rumeld, & Chirinos, 2017). Finally, the expanding scope of fiduciary liability under the Department of Labor (DOL) new fiduciary standards that would require further oversight of fiduciary breaches (Pratt, 2016).

Contribution to Business Practice

Given the rise fiduciary litigation, the explorative case study results are beneficial to the larger business community. The business community may apply the results of my research findings to safeguard a process in which employees’ choice of funds acknowledges individual best interests, an assessment of the clarity and commonality of fiduciary responsibility among business leaders was present, and a proper due diligence assessment of workplace retirement plan organizational risk was available. Identifying the appropriate elements of risk mitigation can be valuable as a tool to incorporate best practices into the business community.

Implications for Social Change

The Edelman trust barometer is an annual global study of trust among institutions; in the latest iteration of the study, 2018, 72% of respondents indicated they trust employers while the benchmark of trust in U.S. financial services declined by 23% (Edelman, 2018). My analysis, related findings, and context provide a pathway for employers to use inherent trust to increase the trust of financial institutions. By limiting the distrust in financial service firms using workplace retirement plans, business leaders could extend the trust of employers to financial services alleviated while protecting the retirement preparedness activities of consumers.

A Review of the Professional and Academic Literature

The literature review was organized thematically to describe the fiduciary responsibility of retirement plans, the risks associated with fiduciary responsibility, and the actions of leaders in mitigating such risks. The review was an attempt to validate the efficacy of workplace retirement plans by addressing decision-making barriers that result in fiduciary breaches. The search strategy of my research study was to assess existing literature on fiduciary liability associated with workplace retirement programs. The framework of the search strategy was twofold; first to describe the component issues of workplace retirement programs and the keywords, or synonyms, to denote the breadth of the topic. Second to use databases and research types that fulfill the outcome of the underlying research.

Component issues included but delimited to organizational risk, fiduciary responsibility, corporate risk mitigation, and workplace retirement programs. Keywords included the most common terms in retirement and leadership discussions (*fiduciary liability, fiduciary responsibility, fiduciary breach, ERISA, best interest standard, DOL ruling, financial education, financial literacy, financial capability, retirement, retirement preparedness, retirement confidence, leadership, employee engagement, ethical leadership,* and *leader-member exchange theory*). The databases included peer-reviewed materials available on various platforms (Thoreau Multi-Database, Academic Search Complete, ProQuest Central, Sage Journals, EBRI.org, Bureau of Labor Statistics, and Google Scholar). The type of research includes research reports, articles, dissertations, journals, blogs, books, bibliographies, webinars, and interviews.

To ensure alignment to fiduciary responsibility changes during 2015-2018, the hook and anchor of my final study are based on statistics within a 5-year period. Scholarly rigor necessitates peer-reviewed sources to answer the research question as well as exploring the existing information available; databases that include peer-reviewed sources are used facilitate information gathering. The databases included peer-reviewed materials available on various platforms (Thoreau Multi-Database, Academic Search Complete, ProQuest Central, Sage Journals, EBRI.org, Bureau of Labor Statistics, and Google Scholar). Using the practice of chain searching, evaluating the citations of existing research for personal use, ensures a good chance of achieving 60% (or at least 85% of total sources) different peer-reviewed sources through the literature review. My literature review was constructed based on the work of 61 scholarly peer-reviewed articles, nine of which are no more than 5 years old to achieve the 85% requirement.

The body of research about behavioral finance has primarily focused on the relationship between consumers and economic decisions they make, in which behavior is said to be predictably irrational. A similar body of work has gained traction, behavioral governance, in which the focus of research delves into the decision-making of business leaders, partners, and other stakeholders whose decisions influence more than just the individual (Lew & Sinkovics, 2013). Trone is a well-known advocate of fiduciaries for his framework of behavioral governance and participation in DOL fiduciary legislation hearings (Pasztor, 2016). I incorporated Trone's framework of behavioral governance includes leadership, stewardship, and governance. The similar language will ensure commonality while expanding on the amalgamation of leadership theories it is based on.

In one aspect this research exploration was an extension of several theories which are trustworthy behavior is drawn from social and relational norms in the business world. Outside factors that are ignored in strategic thinking spurred the research of shared value theory, in which solving societal issues may be advantageous for business and communities alike. Several scholars have spoken to the efficacy of models that in parallel support business efficiency and societal influences such Kramer and Pfitzer (2016) and De Los Reyes Jr., Scholz, and Smith (2017), which outside factors influence decision making within organizations. business leaders may find solutions in the benefits of behavioral governance through the lens of leader-member exchange. Given the dyadic relationship between leaders and staff to achieving goals beyond job duties, aspects of behavioral governance can be used interchangeably.

Thematic elements of behavioral governance are captured in the work of some scholars. Some scholars address behavioral sciences in leadership scenarios; specifically Okoye's (2013) research about the risks of leadership personalities, as well as, Garoui and Jarboui (2014) work on corporate governance and the role of behavioral sciences. The work Herciu and Ogrean (2014), Young and Thyil (2014), and Lew and Sinkovics (2013) discussed cross industry stakeholder relationships.

The work of Garoui and Jarboui (2014), Okoye (2013) and the addition of a baseline understanding of various leadership theories was how I framed the Trone version of behavioral governance, three-dimensional, governance, stewardship, and leadership. Governance addresses the system of laws, regulations, or corporate policies (Young & Thyil, 2014). Stewardship describes the passion and discipline to judge wisely and objectively; with a pro-organizational view (Glinkowska & Kaczmarek, 2015). Finally, leadership addresses the capacity to engagement of others with integrity (Northouse, 2016). The best way to discuss strategies for behavioral governance was to do so within an easy to follow context; describing behavioral governance through the lens of fiduciary liability was a relatable example.

The dimension of governance reflects the existing legislation which dictates retirement plan administration. A synopsis of existing literature on the history of the fiduciary liability, and the influence of 2015-2017 DOL (2014) guidance further defining fiduciary responsibility was the first theme of the review. The background was important to understand the basis of the research study, which was to explore the ways to mitigate the risk of fiduciary breaches for business leaders. A fair amount of cases of fiduciary misconduct have arisen, leading to an increase in cases filed and cases settled.

Stewardship, in the lens of fiduciary liability, addresses the plight of business leaders to wisely and objectively make decisions regarding the retirement plan considering a litigious environment (Glinkowska & Kaczmarek, 2015). A review of existing literature on the due diligence process of retirement plan selection; including search criteria, and selected plan feature details are a secondary theme of the review. Stewardship reflects both the strategy of business leaders and the communication of the strategy. The synopsis also includes an overview of retirement plan communication theories.

The ways in which a new understanding of fiduciary liability requires a new form of leadership was the final theme of the review. The reason to view fiduciary liability through the lens of behavioral governance was to assist business leaders and build trust in decisions in business leaders. The review concludes with an overview of leader-member exchange theory as a leadership development guideline.

Scope of Fiduciary Liability

Business leaders operate in an uncertain environment in matters of financial responsibility. The uncertainty derives from outstanding questions in the litigation of fiduciary breaches, including the scope of investigations (Costin, 2018), the "lawyer generated" nature of fiduciary litigation (Musick, 2019), and the enforcement of arbitration in breach litigation (Faucer & Rudolph, 2018). Business leaders also face internal conflicts that may impact decision making. Several factors may obstruct business leader decision making; As denoted by Robinson (2019), the influence of the dual role of fiduciary/participants, the scope of personal liability, and the varying acts resulting in a breach are only a few considerations of business leaders. In isolation, fiduciary decisions may be manageable, in which deliberation and prudence are probable. Fiduciary responsibility is not an isolated incident. In reality, business leaders face multifaceted, complex decisions, which several are ill-informed to address.

Musick estimates that litigants file one new ERISA case in district court each week (2019). The filings lead to investigations by the DOL, in which, regardless of the reason for opening an extensive investigation into plan administration, management, and operations should be expected (Geller, S.M. 2019). The cases are increasingly brought by the plaintiff's attorney's targeting ERISA plans, not by plan participants themselves, pointing to an external threat (Musick, 2019). Attorneys have followed the direction of court decisions in such matters. The Supreme Courts' recent decisions on arbitration provisions, commonly associated with employment contracts and guidelines of the Federal Arbitration Act (FAA) concerning ERISA, are enforceable to preclude class action lawsuits (Costin, 2018). The decisions of the court are a trend predicated on canons, the legal version of "rules of thumb" (Costin, 2018).

The courts are not the only entity to use the "rules of thumb," business leaders may face internal conflicts based on the ability to make decisions under duress or a lack of information. Business leaders must juggle dual competing roles; in which plans require fiduciaries and often fiduciaries are also employees (Musick, 2019). Fiduciaries maintain personal liability, which as ERISA explicitly references, noting fiduciaries "shall be personally liable to make good" losses resulting from a fiduciary breach (Musick, 2019). Examples of potential violations include using incorrect data for plan determinations like eligibility, which depends on accurate age and hours worked, failure to maintain a fidelity bond or failure to make timely deposits (Geller, S.M. 2019). Violations of an administrative or operational manner may occur when fiduciaries are unaware of plan governance practices and become aware as the result of an investigation (Geller, S.M. 2019).

Business leaders have protections, even in an uncertain environment of fiduciary liability. Geller (2019) discusses recommendations to minimize risk in the current environment are both practical and broad-reaching. Fiduciaries charged with plan governance should establish a well-structured process on informed decision-making, reporting, benchmarking, and adherence to plan terms. Organizations should determine which plan-related roles have fiduciary status, develop a fiduciary selection process, and train selected fiduciaries on potential civil and criminal liability. Organizations can also look to case law applications of deference to protecting fiduciaries in meaningful ways, as outlined by Faucer and Rudolph (2018). The U.S. Supreme Court has held that plan who expressly grant plan officials discretionary authority to determine eligibility and terms of the plan have given fiduciaries the benefit of the doubt(Faucer & Rudolph, 2018; Musick, 2019).

As shown in the work of Costin (2018), Faucer and Rudolph (2018), Geller (2019), and Musick (2019) business leaders are given the benefit of the doubt in courts and have access to multiple risk mitigation strategies. The existing literature also acknowledges some fiduciaries are unaware of the full scope of their liability. As a result, the fiduciary environment if complex but capable to navigate with appropriate guidance.

Efficacy of Workplace Retirement Plans

Workplace retirement plans are a mainstay of mid to large organizations within the United States. The concept of retirement is synonymous with pensions, a term used long ago in middle English, since the introduction of the first U.S. pension in 1875 by the American Express Company (Workplace Flexibility, 2010, p. 1). Defined benefit, another name for pension, replaced a portion of workers income throughout non-working years, the introduction of retirement began at the establishment of Social Security in 1935 (Sass, 2018; SSA, 2018). From 1935 until approximately 1985 the defined benefit and the process of receiving the defined benefit, retirement, existed analogously as a construct for lifelong saving converted into lifelong income (Guerriero, 2017). The idea of retirement is not new, as the idea of fiduciary is also not new, but a change to the communication of retirement has created a new set of problems.

The proxy of retirement has changed from approximately 1980 until present day as the popularity of defined contribution plans, commonly referred to as a 401(k), has grown without a likelihood of changing in the immediate future (EBRI, 2017; Munnell, 2018; Munnell, Hou, & Sanzenbacher, 2018; Sass, 2018; SSA, 2018). The shift toward

401(k) has also led to new views of risk management associated toward workplace retirement plans. Limitations of the average American consumer cover a wide array of factors.

Adel and Mariem, (2013); Ambuehl, Bernheim, and Lusardi (2016); Forte, (2014) and Tisdell, (2014) shared the view of Garcia (2013) that behavioral sciences play a significant role in financial decision making. English (2014), as well as, Lusardi, Michaud, and Mitchell (2017) shared the view of Merton (2014) that a misalignment existed in investment communication between advisors and consumers. Multiple authors described a view of participant engagement occurred at the intersection of several disciplines, such as aspects of financial education, behavioral economics, and fiduciary liability (Akabas, Bell, Collins, & Gold, 2014; Hyoyoun & Wook, 2013; Kim, 2013; Papaoikonomou, Ryan, & Ginieis, 2011; Rhee, 2013). Several factors are at play regarding how participants prepare for retirement, in the same vein fiduciaries should be aware that fiduciary responsibility contiains multiple factors as well.

My exploration of organizational risk was based on participant engagement; identifying implementable strategies of mitigating fiduciary liability. The approach was a niche in the existing research in which Pearl and Daley (2016), Polyak (2016), and Mellman and Sanzenbacher (2018) discussed the increased fiduciary liability among businesses. In a heightened sense of oversight for financial decisions consumers are ill-equipped to make, employers have few solutions. Retirement plans in the workplace were a form of recognition and reward; as of late inequality in retirement savings among consumers and the increased threat of litigation from consumers perpetuates organizational risk.

History of ERISA

The seminal legislative prescription for fiduciary liability is the ERISA. The act outlines fiduciary responsibility through a description of the duties associated with a fiduciary (DOL, 2019). The administrative duties include operating the plan for the exclusive purpose of providing benefits to participants and assuming the risk and expenses of administering the plan (DOL, 2019). Business leaders also have a stewardship responsibility to understand an employee base well enough to make decisions in a like capacity, characterized in a similar fashion and with similar aims of *prudent man* (DOL, 2019). An explicit investment duty of diversifying investment assets to limit risk is outlined within the legislation. The entire process occurs in a fully transparent manner.

ERISA outlines the fiduciary duties as a prescription of adherence to a common standard. Fiduciary duties may apply to administrative actions, as well as, investment decisions related to selection (Guerriero, 2017). Plan sponsors outsource the investment decisions to industry professionals, in which fiduciary liability persists through existing financial professional legislation (Guerriero, 2017). Some financial professionals adhere to fiduciary responsibility through designation or certification. The fiduciary provisions of the Investment Company Act of 1940 (1940 Act) and the standard of care required under the Securities and Exchange Act of 1933 (1934 Act). ERISA is a framework that requires adherence in order to meet compliance obligations. The scope of fiduciary responsibility is codified into several laws enacted as early as 1934. The context of nuance of how to adhere to compliance obligations is also changing and fiduciary responsibility must be viewed through a new lens.

The guidelines of fiduciary liability are largely legislative. As a result, the definition and responsibilities of a fiduciary is framed within legislation: ERISA, the Investment Company Act of 1940, the Securities & Exchange Act of 1933, and Pension Protection Act are among the more commonly known (EBRI, 2017). Oversight extends among several entities including the DOL and Internal Revenue Service (IRS). Oversight of financial professionals expands to include the State Insurance Regulators, Financial Institution Regulatory Authority (FINRA), and Securities & Exchange Commission (SEC; Guerriero, 2017).

Guerriero (2017) summarized the various aspects of oversight and duties into a palatable explanation of governance. Two factors of fiduciary duty that significant to the discussion of organizational risk include the assignment of the fiduciary status and the penalties for breaching fiduciary liability. An individual can become a fiduciary by performing fiduciary functions, or fiduciary duties are imposed through the course of serving the plan. Business leaders have additional exposure as ERISA section 409 specifies plan fiduciaries can be held personally liable for losses attributed to a breach (Guerriero, 2017).

The governance of a retirement plan has changed significantly since workplace retirement programs in 1974. For example, in 1974 plan sponsors could adhere to 75% of the fiduciary duty as a function of running business, with the remaining 25% executed through a manageable and predictable money manager (Bonestroo, 2017; Guerriero, 2017; and Swisher, 2017). In 2018, more likely than not, a plan sponsor was able to adhere to fiduciary responsibility 25% of running the business and outsourcing the remaining 75% (Mellman & Sanzenbacher, 2018). The reversion of fiduciary governance spotlights the significance of reviewing how business leaders have adapted to the new paradigm. What guidance has been afforded to fiduciaries to account for recent changes in their overall responsibility? Fiduciaries need a new way to conceptualize their responsibility, one that considers their linear history of responsibility while infusing new elements of organizational risk.

Definition of Organizational Risk

Organizational risk of workplace retirement plans continues to evolve; a function of business leadership is to stay abreast of such changes and assess the organizational influence. The DOL (2019) definition of a fiduciary defined all financial professionals who work with retirement plans, provide advice for retirement plans, and, trustees of retirement plan as automatic fiduciaries. In an analysis of retirement legislation from 1974 to 2017, Guerriero (2017) described a linear evolution of organizational risk in retirement plans. One significant difference from 1974 to 2017 is the framework. Avoidance of fiduciary status as a practice in 1974 has evolved to disclosure and transparency of all entities who are fiduciaries (Guerriero, 2017). As the shift toward defined contribution plans persists, 2015-2017 legislation has changed to account for the oversight and consumer protections of an investment-oriented product (Guerriero, 2017). Fiduciaries may lack to guidance and strategies to protect themselves from personal liability. The shift towards investment-oriented products infuses elements of suitability and risk that fiduciaries must account for and mitigate.

Guerriero (2017) acknowledged the organizational risk of workplace retirement plans continued to evolve. some authors have offered insights into the changing landscape of fiduciary responsibility, ways in which employers can stay abreast of additional changes, and react accordingly regardless of the challenges that may exist (Bartlett, 2016; Cerrone & Hirschhorn, 2016; Geller, 2015; Swisher, 2017). Investment decisions are normally out of the purview of plan sponsors, employers specifically focus on the areas they can reasonably assess. Bartlett (2016) synthesized a common theme of client communications, a long-standing method of determining the appropriate way to share information. Geller (2015) described another common theme, the retirement plan committees, who ensure varying voices in the overall decision to select a plan. The mitigation of fiduciary responsibility was a common objective of employers, in which I use the work of Swisher to synthesize the best practices.

Bartlett (2016) identified client communications as an area of awareness for employers under the new DOL Fiduciary Rule. Client expectations have shifted from phone calls and letters to electronic mediums like email and text messaging. As technology has created efficiencies in communicating among various stakeholders, privacy of such information has become paramount. A meeting conducted in person was acceptable via video conferencing or through a webinar. As financial decisions increase in depth, clients seek event-driven communication; targeted communication around goals like retirement, marriage, or college savings are more advantageous and in the best interest of the client (Bartlett, 2016). An employer accounts for the appropriate communication method, based on the needs of employees and providers' delivery method, to meet a fiduciary standard.

Geller (2015) focused the argument of employer strategies, in which employers who have workplace retirement plans, or those thinking of enacting a plan, often used committees to ensure a plans' prudent management. Geller addressed the aspects of the DOL's fiduciary rule that employers should consider in deciding on a retirement provider. Retirement plan committees should be aware of DOL initiatives, ensure appropriate due diligence, understand methods of revenue sharing, and align to an investment policy statements (Geller, 2015).

As described by Swisher (2017), employers who embrace the fiduciary business model follow the fiduciary principles and processes, more so than simply showing compassion about employees. Fiduciary responsibility has shifted from avoidance to transparency; employers must prepare for a new and changing paradigm (Swisher) that includes changes to retirement committees, participant communication methods, and the financial professionals through which they interact. Organizational risk, considering 2015-2017 changes to the DOL's fiduciary classification, has changed the way employers prudently managed workplace retirement plans since 1974. The employer is asked to embrace fiduciary responsibility as opposed to avoiding such responsibility.

Workplace retirement plans are similar in nature to other forms of risk a corporation must manage. The communication methods, use of technology, method of financial education and overall suitability concerns are a sampling of what fiduciaries must account for. An all inclusive process that accounts for the varying elements of compliance and meeting savings needs of employers is a responsbility fiduciaries must account for. The question of how to infuse such changes may be addressed through the application of LMX theory.

Application of LMX theory through Governance dimension

The history of ERISA, organizational risk of retirement plans, and the present-day liability necessitate an organizational culture in which those giving directions, and those following directions optimize responsibilities. Through the lens of behavioral governance, ensuring such alignment exists is a function of the governance dimension. As laws and procedures in 2018 exist for governance, the prescriptive model of LMX theory which was an intriguing aspect of assessing leader and follower behavior. LMX theory research identifies a causal relationship to positive employee behaviors such as job satisfaction, commitment, creativeness, positive citizenship behavior, and alignment to reward systems (McCleskey, 2014; Northouse, 2016;).

Arif, Kashif, Sindhu, and Zahid (2017) correlated the conceptual framework of LMX theory to change management within organizations. Given the 2015-2017 changes to fiduciary definitions and liability of breach that has proceeded, a leadership approach inclusive of change management aspects would aid business leaders. As Don Trone described in DOL hearings, five years of experience plus additional training is the baseline to determine the new best interest standard (Pasztor, 2016). Arif et al.(2017) offered a viewpoint of LMX theory in change management; in which organizational change emphasizes the need for people to alter values and perspectives to align with the organizational perspective. Under such a premise, special emphasis is placed on the roles of leaders and members, and the interactions between members and leaders (Arif et al., 2017).

To increase the probability of change success, understanding the change process is a series of actions, procedures, communications, and regular meetings (Arif et al., 2017). Understanding the roles at play and the interaction between the roles is a precept of the change process. These findings were important because of the ability to relate the dyadic relationship to procedures and communication in fiduciary and employee interactions. The ability of leaders to use LMX theory as a prescription for incorporating change throughout an organization is one of the benefits that stands out among other leadership theories.

Assessing the Efficacy of Fiduciary Responsibility in Retirement Plans

A fundamental question of workplace retirement plan organizational risk was why fiduciary standards exist and the ramifications of breaching the fiduciary status. Secondary to the question of why fiduciary standards exist was what acts, requirements, or actions by plan fiduciaries? Finally, fiduciary liability can be assigned to an individual as well as a group, in either case, what was the scope of fiduciary responsibility regarding risk assessment and risk mitigation?

The responsibilities of a plan fiduciary are robust and nuanced. Compliance is essential to avoid fiduciary breaches which have become more commonplace. As Geller (2015) acknowledged in vary sentiments from meta-analysis of qualitative studies, the DOL has established aggressive litigation and audit initiatives that impose personal liability on plan fiduciaries for the failure to monitor the reasonableness of plan expenses paid with plan assets. A liability quantified by Bonestroo (2017) based on data from the Employee Benefits Securities Administration (EBSA); in which 2002 civil investigations in 2016 - closed with 67.7 % resulting in monetary or corrective action, an average penalty of $500,000.

Fiduciary standards exist to ensure adherence to the fiduciary principles that underpin professional relationships among the average consumer, a thought articulated by Aikin (2016) that described why fiduciary responsibility is important. A simpler rationale of the decision-making sponsors must make, whether equipped with the proper expertise or not, is offered by Bonestroo (2017) whose meta-analysis of qualitative research due diligence exhibited by plan fiduciaries is outlined in Figure 1. Some employers fall into three categories; plan sponsors may have the expertise, may not have the expertise and seek guidance, or are completely unaware of actions that may cause compliance issues. Further refining the decision-making, where applicable the plan sponsor may deem it necessary to hire an individual to assist with fiduciary duties or receive education on the specific roles and responsibilities of a fiduciary. The standards of prudence and loyalty underpin the responsibility of plan sponsors to act in a manner that adheres to the best interests of employees.

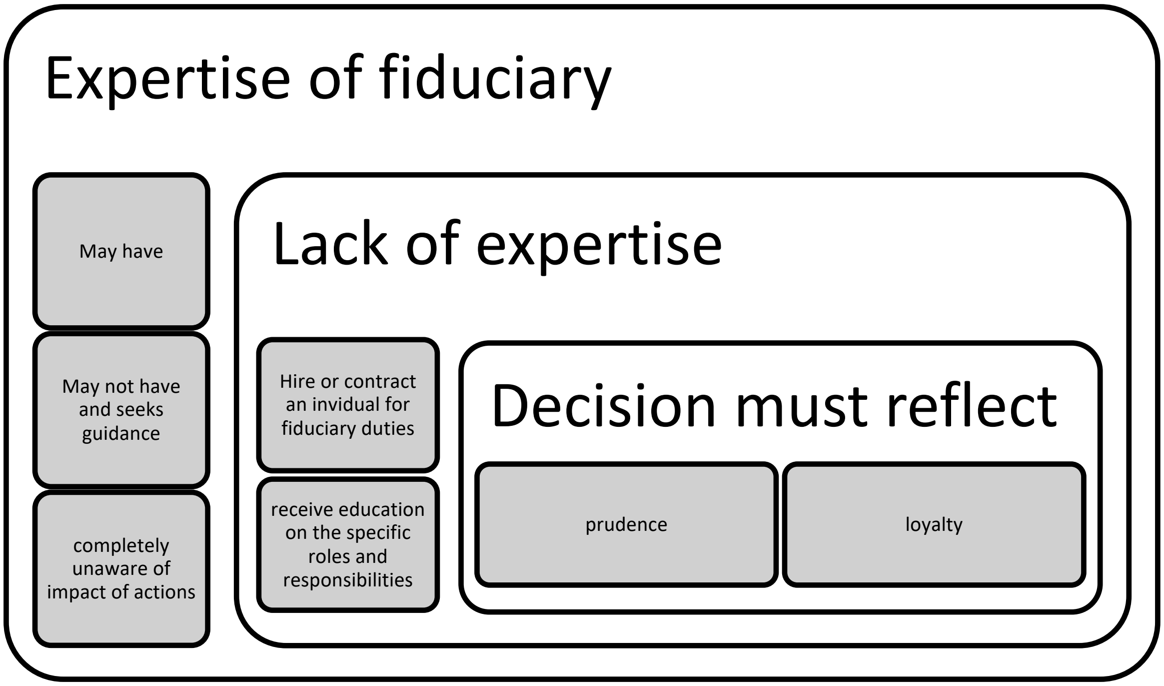


Figure 1: Decision making with or without expertise

Plan sponsors may not know the level of fiduciary responsibility required to administer a workplace retirement plan. Existing research offers a roadmap in navigating the fiduciary landscape. Over time best practices have emerged in the compliance and administration of retirement plans. A helpful guideline and framework for employers is the Bonestroo (2017) research in this area of fiduciary liability. The four thematic elements of the work of Bonestroo are; a sense of awareness of fiduciary responsibility, transparency in the decision-making, clarification of the roles, and the best practices.

Awareness. Employers should be aware of general requirements and fiduciary requirements of sponsoring a plan.

Transparency. An audit trail of the named and unnamed fiduciaries of the plan exists, including the personal liability of plan fiduciaries.

Clarification. An understanding of the administrative tasks, educational materials, plan documentation, and documented procedures is explained to plan fiduciaries.

Best Practices. An outline of the common mistakes fiduciaries make is made available to plan fiduciaires.

Transparency is a multi-faceted theme, the inclusion company stock or a retirement plan committee add additional layers of transparency. Using the framework of Bonestroo (2017) as a base and layering additional disclosures outlined by Burch (2017) for the inclusion of company stock and Geller (2015) when decisions are made by a retirement committee. As Figure 2 depicts, the work of Bonestroo, Burch, and Geller to address transparency is multi-disciplined but aligned toward the common goal of transparency.

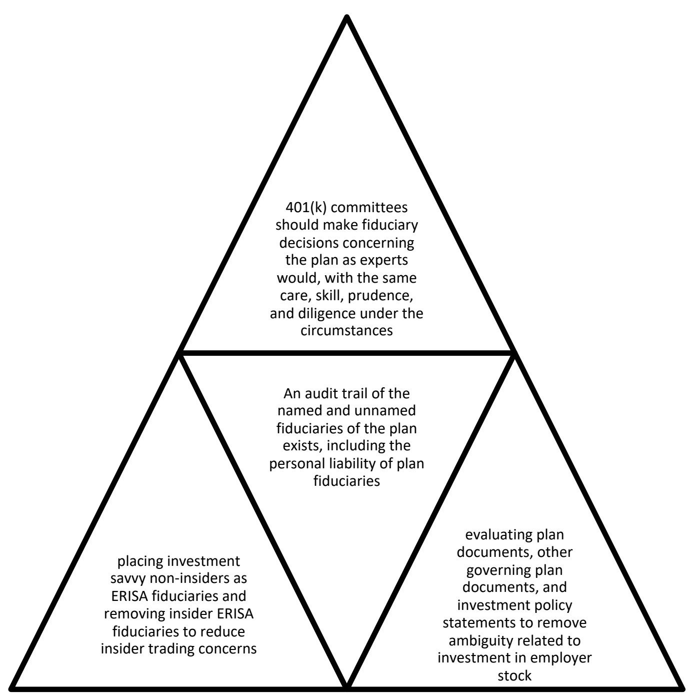


Figure 2. Interrelationship of transparency activities

Business leaders who offer employer stock in retirement plans require additional information. Requirements to evaluate plan documents, governing plan documents, and investment policy statements to remove ambiguity related to investment in employer stock (Burch, 2017) represent some of the requirements sponsors face. Employers should consider placing investment non-insiders as ERISA fiduciaries and removing insider ERISA fiduciaries to reduce insider trading concerns (Burch, 2017).

Retirement plan or 401(k) committees should make fiduciary decisions concerning the plan as experts would, with the same care, skill, prudence, and diligence under the circumstances (Geller, 2015). Members should systematically conduct due diligence on all plan investment at regular intervals to ensure continued appropriateness, and the level of diligence must be reasonable and appropriate under the circumstances. As a result, ensuring an audit trail of communicating, and acknowledging the communication of responsibilities was prudent.

Retirement Plan Committees must outline a process to effectively and competitively bid recordkeeping services and limit the payment of revenue sharing from the plan service provider. A reasonable plan cost was hard to estimate because of the ambiguity associated with describing plan fees. Carosa (2013) identified a common narrative in the public policy of retirement plans; in which most regulators will indicate the cost of paying too many fees without ever indicating a reasonable fee amount. The cost of a retirement plan varies, but insufficient data to arrive a reasonable benchmark.

According to the Brightscope Inc. database of retirement plan tax filings, the average cost for more than 50,000 plans provides insight into the employer costs (Carosa, 2013). Retirement plans with assets over $100 million signified total plan costs averaging 0.49% (Carosa, 2013). Plans with assets totaling $10-$100 million incurred total plan costs on average of .87% (Carosa, 2013). Finally, the segment of plans under $10 million reported total plan cost averages of 1.41% (Carosa, 2013). Fiduciaries are responsible for determining the suitability and reasonableness of fees as part of their due diligence process.

Communication of Retirement Plans

Kim (2013) found an inadequacy among 42% of working households preparations for retirement. Another 47% rated future retirement income adequate (Kim, 2013). Thirty-eight million working-age households do not have access to a retirement account, whether in an employer-sponsored 401(k) type plan, or an IRA (Rhee, 2013). The average working household has no retirement savings. The collective retirement savings gap among working household’s age 25-64 ranges from $6.8 to $14 trillion depending on the financial measure (Rhee, 2013).

Workplace retirement programs are a multi-faceted vehicle for employers. The objective is to reduce employer costs for employee retirement, mitigate fiduciary liability, take advantage of tax benefits, and engage employees in purposeful retirement planning. Employers must weigh the benefits of offering a retirement program against the potential liabilities associated with the program (Bonestroo, 2017). One way to mitigate liabilities lies in the communication program to employees.

Weiner and Doescher (2008) defined a succinctly organized framework promoting retirement programs which described two approaches, structural and communication best practices. The structural approach is used to create the ideal conditions given policy and legislation to achieve retirement savings (Weiner & Doescher, 2008). The communications approach is behavior oriented, enabling a change knowledge and perceptions to increase engagement for retirement savings (Weiner & Doescher, 2008). The benefits and consequences to each approach are numerous, from an organizational risk perspective assessing each approach based on fiduciary compliance and employee engagement.

The structural approach was a prudent framework to assess compliance. The structural approach alters the conditions associated with retirement savings; for example, the advantages of pre-tax benefits or income contributions limits may act as a lever to increase retirement savings or limit the pre-tax savings of high-income earners. In the view of academics and government agencies, a compliant plan design under ERISA specifications allows employers to enjoy a host of tax benefits (DOL, 2019; IRS, 2019). The design of retirement plans permits pre-tax savings, tax-deferred growth, and tax deductions on the part of employers and employees. The tax treatment applies to all participants, in which, defined contribution plans do not discriminate in favor of highly compensated employees (DOL, 2019; IRS, 2019).

From a regulatory view there are guidelines for classifying employees outside of the scope of my research. Classifications of employees regarding IRS status were outside of the scope of my research; for example, highly compensated defined as an individual making above $115,000 has no bearing on the research question. Similarly, an important employee classified as someone with ownership status or decision-making authority, and greater than $150,000 in compensation (IRS, 2019) has no bearing on the research question. The structural approach also encompasses plan design architecture, which allows an employer to build a retirement plan based on the businesses' specific needs. The structural approach is more quantitative based, ripe with documentation to mitigate liability and based on an abstract view of the needs of participants in favor of compliance on behalf of the employer.

Some authors have acknowledged the educational gap between knowing and doing such as Forte, (2014) and Tisdell, (2014). The gap persists as 2015-2017 data has concluded that steps to narrow this gap globally have been inadequate (EBRI, 2017). The communications approach seeks to change both the knowledge and perception of savings, retirement, investments, and decision-making to positively influence retirement savings (Weiner & Doescher, 2008). To change knowledge of financial matters education has been used in various forms of enrollment support to guidance through tools and resources (Forte, 2014; Tisdell, 2014). Education alone has not been able to change perceptions, in instances an infusion of behavior modification and education may yield positive results.

Financial Education and the method of delivery may offer insights into how to mitigate risk for organizations. Tisdell (2014) found that certain assumptions within a definition of financial education that influence the output of education. One was the assumption of a capitalist economy. The embracing of capitalism occurs in several countries including the United States, Canada, Germany, China, Japan, and India, yet the ideology of capitalism is different, even among those who embrace it. As Tisdell acknowledged the notion that a capitalist economy does not serve the interest of low-income, poor, or diverse socio-cultural communities is seldom addressed. The influence of individuals from adverse downstream effects of programs that embrace capitalism is a challenging environment for those who can benefit the most from education programs.

The role of social experience, and sociocultural issues influence the decision-making of consumers. Forte (2014) expanded upon the narrative of socio-economic influences on financial decision making through a discussion of the way adult learners and educators must account for the race, ethnicity, gender, socio-economic class, education, sexual orientation, age, language, and ability of the audience. Forte (2014) and Tisdell (2014) had a common opinion, (in line with the work of Vygotsky 1978; Choules, 2007; Freire, 1971 and Freire & Macedo, 1995), that social experience shapes the ways of thinking and interpreting the world, referred to the perception of money within the family unit, and emotional support for financial issues.

The current state of education programs perpetuate a misconception that a consumer presented with financial knowledge will; spend less, save more, strengthen the economy, and do personal bests to prevent another financial collapse (English, 2014). Regardless of age, gender, or race; individuals failed to save enough for retirement, overinvest in risky or overly safe assets, fail to take advantage of certain tax benefits, and chose to remain outside of the formal financial sector entirely (Garcia, 2013). By failing to acknowledge the process of becoming educated, leaders are unaware of the bottlenecks within the process. Such bottlenecks are inherently risky as leaders fail to see how the challenges of education transition into financial literacy and subsequent changes in behavior.

Ambuehl et al. (2016) conducted research into the role financial education plays in several areas participant decision-making that offer insights into how an organization may mitigate risk. Lusardi et al. (2017) explored the role of financial education in widening the gap of wealth inequality. Clark, Lusardi, and Mitchell (2015) described the influence of limited education on long-term retirement preparation behavior. Clark et al. explained the gaps in financial literacy skills that will need to be filled to avoid pitfalls based on such limitations. The correlation between financial education and risk, the factors outlined by Lusardi et al.(2017) show interconnected role of education.

The theme of behavioral economics is an infusion of psychology and economics to explain participant behavior. A near-universal conclusion of participant behavior is uniqueness; in which consumer decision-making were based on a combination of heuristics when making complex decisions adoption (Hyoyoun & Wook, 2013; Papaoikonomou et al., 2011). Advancements in behavioral sciences, and a consensus among scholars in this area, highlight the need for an understanding of the way decisions were made. Further to education, retirement plan communication programs must also understand ways to nudge retirement savings behavior (Akabas et al., 2014; Hyoyoun & Wook, 2013; Kim, 2013; Papaoikonomou et al., 2011; Rhee, 2013).

An irrational decision is seen more often as rationale given a set of variables (Adel & Mariem, 2013). The correlation between decision making and literacy rates persisted throughout the research. For example, Copeland (2013) and VanDerhei (2013) noted most consumers are unprepared and lack confidence in the ability to retire. Similarly, in works of Brown and Graf (2013), and Castro-Gonzalez (2013) unprepearedness was a common theme as their research validated financial literacy rates below acceptable comprehension levels.

The organizational risk of the workplace should account for the behaviors and situations that lead a consumer to make decisions, as the ramifications of these decisions may lead to litigation depending on the losses incurred by the consumer. For example, the complexity of financial decisions resulted in challenges for consumers, deficiencies in both preparation and capacity to optimize accounts (Akabas et al., 2014; Kim, 2013; Rhee, 2013). Low confidence in the ability to retire and to have enough money to last through retirement caused limited or conservative savings participation, highlighting the issue retirees faced most often (EBRI, 2017).

The communications approach emphasizes the individual, the behavior, and how to nudge behavior to optimize retirement savings (Weiner & Doescher, 2008). Used independently the communications approach, and structured approaches have shown several inconsistencies in attainment of, influence, and knowledge required to achieve a goal. When combined with the structural approach, a framework that addresses structure and communication strategies provide employers possess two methods of engagement for workplace retirement plans. Engagement plays an important role in the workplace retirement plan. Engagement serves two purposes; first, as a conduit toward application. Unless an employee base is actively involved in the retirement plan, a company cannot fully capitalize on tax advantages of the program. Second, considering a healthy participation, employers can use engagement as a tool to assess the reasonableness of costs associated with establishing a plan.

The conversation of organizational risk is a one regarding expenses regulated by the employer. In some instances, a growing financial burden excluding the prospects of litigation. Employer expenses have continued to rise, measuring the effectiveness of retirement programs remain challenging (EBRI, 2017). An abundance of information was available about the retirement phenomenon the United States faces; in business decision-making, a retirement program is one factor in a suite of employee benefits and benefits costs.

Application of LMX Theory through Stewardship Dimension

The efficacy of workplace retirement plans, and how utility is communicated highlights the plight of business leaders to wisely and objectively make decisions. A number of factors including the growing influence of behavioral sciences, low levels of financial literacy, and misaligned communication campaigns give credence to LMX theory as an approach. Factors that manifest from an innate understanding of individuals are a function of stewardship; the work of Lloyd, Boer, and Voelpel (2017), as well as, Omilion-Hodges and Baker (2017) are prescriptive models to apply.

Lloyd et al. (2017) highlighted the importance of listening in the creation of potential for long-lasting, strong partnerships. Specifically, the listening aspect of the dyadic relationship is a factor in leader-employee relationships that may influence work-related attitudinal and behavioral outcomes. The work of Matta, Scott, Koopman, and Conlon (2015) described similar findings by notating the meaningful effects of employee motivation and behavior. These findings were important because of the behavioral aspects associated with the risk of organizational workplace retirement plans.

Omilion-Hodges and Baker (2017) described the advantages of LMX by highlighting relationships are a byproduct of effective communication exchanges, concrete and continuous. Designating communication as the central driver of effective exchanges between leaders and members, Omilion-Hodges and Baker (2017) suggested that such communication exchanges occur by working together to accomplish organizational tasks. LMX research validates member advantages through higher levels of autonomy and job satisfaction. Such advantages also led to corporate profitability in the form of team effectiveness and higher job performance (Omilion-Hodges & Baker, 2017).

Alleviating Fiduciary Responsibility

The neoclassical approach toward retirement savings uses a structural approach to increase participation and meet retirement plan compliance. As discussed, this approach includes optimizing the tax benefits, and plan design elements to boost participation. The approach did little to change behavior, instill confidence, or, increase the knowledge base of employees (Weiner & Doescher, 2008). Employers may also use resources based on the precepts of behavioral science to influence cognitive aspects of retirement planning and to mitigate fiduciary liability.

Weiner and Doescher (2008) developed a framework for promoting retirement savings infusing classical approaches and behavioral sciences. One aspect of this approach is the concept of *Goal Efficacy* which is the combination of an individual's self-efficacy and the response efficacy. In other words, the perceived ability is the sum of (a) one's assessment of an ability and (b) the likelihood of success for an act using the ability. Based on findings, a person must think that the positive consequences of acting outweigh the costs. If a person's self-efficacy is so low that the individual does not think engagement in an act is feasible, effort will be minimal. When self-efficacy is low, increasing the benefits from acting (higher returns, more money) will not result in a higher likelihood of acting.

Participants of retirement programs must determine whether saving is possible; where *possible* represents the belief that saving will result in maintaining current standards of living throughout retirement. The goal efficacy approach is a framework for leaders to understand the behavior of employees in answering the savings question. Goal efficacy is a premise which assumes if a person does not believe they can save, does not know how to save, or does not believe that saving they will maintain current lifestyles, they will not act or even attempt to act. Upon assessing a consumer's ability, and the likelihood of success, if the consumer confidence is low there is a failure to act.

Goal Efficacy

Applying the classical approach of Weiner and Doescher (2008), the achievement of participant saving occurs through the accessibility of educational resources, and automatic defaults of the most common product features. In the short-term, such a practice would change the statistics of the retirement plan optimization, yet, would do very little to change behavior. In the context of goal efficacy, nudge concepts are used as determinants to limit subjective judgment. There are four concepts which have proven to be successful;

The communication of effective attainment among business leaders. The experience of past successful performance of a similar task increases the perception of achieving a task. Business leaders should understand the logistics of long term saving when considering retirement savings. The research and results highlight the effacacy of the concept through the use of stewarship behaviors. Tasks to encourage non-savers to begin saving small amounts of money on a regular basis and over time, encouraging them to increase the level of saving. Citations?

The influence of a vicarious experience to enhance engagement. The observation of similar individuals succeeding at a similar task increases confidence. Business leaders should understand the need to communicated the achievement of goals. As discussed in the presenation of findings, stewardship activities were essential to this concept. Enhancing engagement through communication of how others with similar jobs, employers, and life circumstances are saving creates confidence in others. Citations?

The effect of persuasive messages in communicating. A marketing-oriented message that communicate that the individual can meet an objective. Business leaders should understand, and my research validates the understanding, that increasing an employee's confidence is as important as providing access to resources. Incorporating messages that convey confidence in the individual's ability to save enough money to reach either a retirement goal or similar goal creates confidence in others to achieve the same (Weiner & Doescher, 2008).

The sway of heuristics and bias among business leaders. The mental short cuts, or rules of thumbs, people use when making judgments under uncertainty is a consideration of future behavior. People save in various ways; business leaders must understand the nuance of culture and diversity on behavior. A lack of personal experiences or experiences by others who share a viewpoint may create communication barriers. As noted by scholars, individuals who experience such communication barriers may have trouble saving (Garcia, 2013; Hyoyoun & Wook, 2013; Tisdell, 2014).

Application of LMX Theory through Leadership Dimension

Engagement techniques for workplace retirement plans use two approaches; a structural and communication (Weiner & Doescher, 2008). The foundation of the structural approach includes public policy and legislation; the approach aims to ensure compliance by applying the classical approaches of education and automation to increase plan participation (Weiner & Doescher, 2008). Sponsors may favor the approach to mitigate low engagement, allowing fiduciaries to meet compliance obligations through transparency and documentation. The communication approach is behavior-oriented; in which the utility of marketing and persuasion approaches are implored to increase participation (Weiner & Doescher, 2008). sponsors may favor the communication approach for those with high engagement. Ideally, plan sponsors would benefit from a blend of the two approaches ensuring an offering satisfies the needs of those highly engaged as well as those who may not be engaged.

Employers warrant a viable framework for change if the findings of my research prove to be advantageous. Scholars have applied concepts and practices of LMX in empirical studies. The results of experimentation have shown the framework of leader-member Exchange (LMX) theory may be a viable and prudent option (Arif et al., 2017; Cropanzano, Dasborough, & Weiss, 2017; Lee & Chae, 2015; Lu & Sun, 2016; Lloyd et al., 2017; Matta et al., 2015; Newman, Schwarz, Cooper, & Sendjaya, 2017; Omilion-Hodges & Baker, 2017). The correlation of the leader/follower dynamic is like the dynamic of the fiduciary/employee dynamic, further discussions of the *relationship* refers to fiduciary/employee. A correlation exists between the engaged and disengaged employee and the in-group and out-group concepts of LMX theory. Several aspects of LMX theory show the viability of the framework as a conduit of change management.

Researchers of LMX theory have provided evidence of employee motivation and positive behavior, increased communication, enhanced listening, mediation of organizational change, influence of organizational culture, organizational citizenship behavior, organizational policy formation, and socio-emotional behaviors (Arif et al., 2017; Cropanzano et al., 2017; Lee & Chae, 2015; Lu & Sun, 2016; Lloyd et al., 2017; Matta et al., 2015; Newman et al., 2017; Omilion-Hodges & Baker, 2017). Researchers have conducted studies in which results have shown that LMX theory serves as a conduit for job resources and social support, addresses diversity and cultural communication differences, and offers perspectives on the individual, the dyadic relationship as well as the collective group (Lee & Chae, 2015; Lu & Sun, 2016). LMX theory is a framework that originated in 1975 through the works of Dansereau, Graenm, and Haga (Northouse, 2016), The benefits of LMX include easing communication differences and varying perspectives of individual participants, insight into the perspective of a collective group, identify the influence of higher quality relationships, and identify ways to increase levels of trust. When analyzing the data, I used themes categorized by similar segments to convey the results as a best practices summary. Two potential interactional outcomes of the LMX approach are in-group and out-group behaviors; a factor of how to manage engaged and disengaged members (Northouse, 2016). Facets of LMX theory research identifies a causal relationship to positive employee behaviors such as job satisfaction, commitment, creativeness, positive citizenship behavior, and alignment to reward systems (McCleskey, 2014; Northouse, 2016). LMX also serves as a prescriptive model among leaders and followers. A prescriptive model because the content delivered to leaders evolves naturally, is trainable, can be developed over time, and may apply to various levels of an organization (McCleskey, 2014).

Cropanzano et al. (2017) acknowledged the success of LMX theory in studying organizational leadership. The favorable employee responses of better performance and organizational citizenship behaviors allowed for more focus on the significance of the dyadic relationships. Denoting the influence of higher quality relationships increasing levels of trust, respect, and liking, employers would ideally seek this behavior. Specifically, increasing trust of all higher quality relationships was what makes LMX an ideal framework in which mitigating risk was a desired outcome. The research of Cropanzano et al. (2017) is an insightful analysis of the employee behavior; in which low-quality relationships exist within the organization, research emphasizes the feeling of deprivation and unfairness which may imply a moral judgment. These findings are important because of the liability associated with retirement plan participants who also experience deprived and unfair, and how to change such emotions.

LMX theory was a suitable framework for Governance and Stewardship discussions, nonetheless the framework was as insightful for the Leadership dimension. Several researchers have found LMX to serve as a conduit for desired group behaviors. Lee and Chae (2015) found the LMX framework improved job resources and social support flows, each of which affects career-related outcomes in performance and promotion. Newman et al. (2017) encouraged organizational citizenship behavior from employees. Lu and Sun (2016) found LMX facilitated job performance through enhanced self-efficacy and self-esteem. Because of aspects of the framework LMX derived from organizational identification theory, a leader's treatment of employees would be interpreted as that of the organizations whether favorable or unfavorable.

Transition

Section 1 was an introduction to workplace retirement plans and concepts related to transitioning from the workplace into sustained income through savings is not a new concept. The concepts of pensions have existed for centuries, closer to 2015-2017 legislation of ERISA has served as a guide for fiduciary compliance. The present-day reality of employers must address the need to offer workplace retirement plans with the organizational risk associated with the product offering. Employers can assess the organizational risk of retirement plans based on the retirement communications approach, the resources available to mitigate risk, or a combination of both, once risk was assessed a framework to espouse the best practices of limiting organizational liability offers the best opportunity for employers to codify such practices into corporate culture. Section 1 of the study included the background and rationale for the assessment of organizational risk, the subsequent sections outline the process of developing a methodology to assess organizational risk of retirement plans and the conclusions uncovered in the developmental process.

Section 2: The Project

The process of constructing a study to explore organizational risk associated with retirement plans included an analysis of the rigor associated with the project. In the following section, the scope of the study is outlined to include the research methodology and design, validation and transferability of data, segmentation of participants for my research as well as logistical information about the data collection and analysis. Section 2 of the study provides a framework to align the structural process of conducting my research to the underlying intent of discovery indicated in Section 1.

Purpose Statement

The purpose of this qualitative multiple case study was to explore the strategies business leaders used to minimize the organizational risk of workplace retirement plans. Business leaders responsible for the operation of retirement plans represent the optimum sample participant base. An optimal base of 10 stakeholders represents a national geographic footprint as well as a different subset of industries in which the plans operate. The Edelman trust barometer is an annual global study of trust among institutions; in the latest iteration of the study, 2018, 72% of respondents indicated they trust employers, while the benchmark of trust in U.S. financial services declined by 23% points (Edelman, 2018). My research, related findings, and context provide a pathway for employers to use inherent trust to increase the trust of financial institutions. By limiting the distrust in financial service firms using workplace retirement plans, business leaders could extend the trust of employers to financial services alleviated while protecting the retirement preparedness activities of consumers.

Role of the Researcher

Fink (2000) described an architectural design of data collection which includes thematizing, designing, interviewing, analyzing, verifying, and reporting. Thematizing allowed me to answer several questionsof what was going to be studied, why, and how to complete the research. Designing relates to the methodical process of planning and preparation. Interviewing was the process of constructing the interview guide and conducting the formal interviews of my study. Analyzing was the result of naming and categorizing of the results through close examination of data. Verifying was a process in which generalizability, reliability, and validity of findings results in the final reporting. To ensure reliability and validity of my study, the framework outlined by Fink was an established process that defines the process of data collection from inception to conclusion.

The Belmont principles are outlined in a seminal document produced by the U.S. Department of Health and Human Services in 1979 (Bromley, Mikesell, Jones, & Khodyakov, 2015; Cascella & Aliotta, 2014; Hammer, Eckardt, & Barton-Burke, 2016). Ensuring the tenets of the Belmont report were met is a process that begins when designing a study (Hammer et al., 2016) and is an integral part of the entire study adheres to the trust-based obligations that are foundational aspects of research ethics (Bromley et al., 2015). Researchers using quantitative and qualitative studies must adhere to Belmont principles; researchers of qualitative studies are more likely to engage participants and the ethical considerations of human subjects (Cascella & Aliotta, 2014). The tenets of the

Belmont report include respect of persons, beneficence, and justice to describe the interaction between myself and research subjects or participants (Hammer et al., 2016).

Respect for persons outlines the informed consent process. To adhere to this principle the informed consent document must be comprehensible, meaning free of perplexing legalese, available in multiple languages, and graspable (Cascella & Aliotta, 2014). The tenet beneficence is a description of the experimental nature of a study. In general, researchers of a study seek to maximize benefits of the research project while minimizing harm to the subject (Bromley et al., 2015). Last, the tenet, justice, is an interpretation of how the researchers views a study significance and ensures the research study was nonexploitative and fair among participants (Bromley et al., 2015). When engaging human subjects, researchers adhering to the justice principle should ensure persons with communications disorders should have an equal opportunity to participate in research, independent of education, race, ethnicity, and socio-economic class (Cascella & Aliotta, 2014).

The focus of my study was to provide the perspective of strategies stakeholders use to mitigate organizational risk. The scope of my study did not infer a form of treatment, nor did I aim to correct a behavior; as a result, I maintained a separation between practice and research to avoid conflict or bias. The ethical considerations for the research met the protocol of the Belmont report by adhering to the context of respect for persons, beneficence, and justice.

The criteria for participation in my study also infers a degree of justice in which each business leader equally shares responsibility to make decisions in the best interest of the client, the employer, or plan sponsor. I used a documented acknowledgement for each participant to confirm his or her informed consent to participate in my study. Participation in my study was voluntary; any and all risks were outlined to make an informed decision regarding participation. A listing of the criteria used for selection of the participant sample appears within the content of Section 2. The process of participation was understood to be voluntary and if desired, participants could withdraw at their discretion.

Bazzano (2014) described the process of Epoche as one in which the view of world, self, or others is afresh. The process outlined enables me to remove potential bias of the population, by learning a situation anew through the perspectives of participants. The use of open-end questions ascribes to the insights of Chenail (2011) to create an environment that allows for the insiders' perspective to take center stage.

Participants

Employers seek retirement plan providers using financial intermediaries or directly through the retirement plan provider. A plans sponsor engages in a due diligence process to compare the investment options, educational resources, plan features and plan design elements of multiple providers prior to a decision (Bonestroo, 2017). Upon a favorable decision, the management installation and conversion of plan assets into a new workplace retirement plan by a plan provider relationship manager begins the retention process (Bonestroo, 2017). The relationship manager, retirement committee members, third party administrators, and organizational representatives represent a group of stakeholders to make appropriate plan decisions. The stakeholder represents a valued partner in the origination or takeover of a retirement plan. Stakeholders analyze the previous plan or current needs, fill the gaps with services and resources of the provider, and ensure the plan is established to follow applicable regulations.

To be eligible for participation in my study, stakeholders met certain criteria. Ninety-four participants responded to a screening survey for the candidate pool. The candidates met criteria of participating in at least one conversion or installation of a retirement plan, a tenure longer than 1 year, and an understanding of the term's fiduciary and organizational Risk. In addition to meeting my study criteria, a significant amount of the 94 participants were employed full time (92%) and have a tenure of greater than 5 years (61%). The participant baseline was a person who is asked their opinion (95.1%), who generally has an opinion or point of view on a subject (85%), who offers their advice in great detail (90%), and who enjoys exchanging ideas with people (90%).

This study was an exploration of organizational risk in which I leveraged the expertise of the business leaders. The stakeholders are in an advantageous position to describe the approach to assessing organizational risk and communicating potential solutions to plan sponsors. The stakeholders are in the unique position of answering the primary research question of my study "What guidance of strategies to minimize the organizational risk of workplace retirement plans do stakeholders present?"

To answer the research question, I used definitions and process described by Asiamah, Mensah, and Oteng-Abayie (2017) to define a study population through the hierarchical specification of general, target, and accessible populations. The general population shares one area interest; the target population was comprised of those whose participation aligns with the research goal, assumption or context, and the accessible population which was comprised of a sample population who may or may not participate from which data was collected by surveying either all its members or a sample drawn from it (see Asiamah et al., 2017). The framework was not unique as a similar framework by Fritz and Morgan (2010) used different terms; the iterative process calls for the refinement of the target population by the accessible population, the selected sample, and conclude with the actual sample.

Asiamah et al. (2017) used a collection of best practices, easy to understand context, and process orientation which was ideally suited for my research. The general population included business leaders among all employers with workplace retirement plans, a single attribute of interest was they had workplace retirement plans. Upon further refinement, the target population included employers with workplace retirement plans, who work with stakeholders for ongoing maintenance and compliance, greater than 100 employees, who used defined contribution plans, and purchased through a national plan provider. Further refinement resulted in the sample population for my study denoted as the accessible population.

As described by Baskarada (2014), the unit of analysis is an essential aspect of the case study was for otherwise the entire study may be invalidated. In my case, the unit of analysis was the role of the business leader. Stakeholders are best equipped to describe how options to minimize retirement plan organizational risk. The stakeholders possess a better understanding of the best and worst cases of risk assessment conversations.

Access to the pool of stakeholders was provided by the market research and recruiting firm Dynata. Dynata is a provider of online panels and recruitment of participants for various studies; in this capacity I use their expertise in recruitment to secure the participant base. As with other studies and focus groups, the basis of the relationship between me and participant was the premise that the participants for this study were adding useful insights to the inner workings of organizational retirement plans.

Research Method and Design

Research Method

The research study was a qualitative exploration of the organizational risk associated with workplace retirement. Several scholars (e.g. Applebaum, 2012; Barnham, 2015; Connelly, 2010; Cronin, 2014; Tuohy, Cooney, Dowling, Murphy, & Sixsmith, 2013) described the appropriateness of qualitative methodologies in retirement plan oriented research. Applebaum (2012) denoted the fit of qualitative studies based on existing research into retirement plan management, in which quantitative methodology would focus on the data elements the qualitative focus seeks to understand the why and how of phenomena. The mode of research was deductive in which I narrowly focused on the business problem as opposed to the contrarian view, inductive, which was more open-ended and abstract in nature (see Tuohy et al., 2013). Under this view, quantitative methodologies which were abstract and vague would not be suitable to address a specific business problem.

The strategy to obtain an answer to the research question uses opinion-oriented research, in which data collection occurs through the survey, interviews, or brainstorming (Connelly, 2010). A quantitative study would allow me to test a hypothesis given a set of standards, to elicit facts through hard percentages or numbers (seeBarnham, 2015). By using a qualitative methodology I investigated the problem through a holistic lens.

Research Design

Case studies were an appealing design to explore the organizational risk of workplace retirement plans. Case studies seek to act as a form of discovery or act as form validation, in either case, the result of the case study was to further clarify the stated research question (Yin, 2017). Yin (2017) described the value of case study design through an ability to address complexity and contextual conditions, among other methods such as survey or experimental research. A case study can act as a method of discovery uncovering the causes of organizational risk. Conversely, case studies can be used to validate an assumption or opinion. The design contrasted most often with case study is experimentation; my study would not be an ideal selection since in experimentation the researcher controls the variables of the case, in which case studies allow the phenomena studied to occur in a natural setting (Hammersley, 2004).

As noted in the work of Lokke and Sorensen (2014), building upon the work of Cavaye (1996), case study research can be applied in various forms including positivist or interpretivist, deductive or inductive, and quantitative or qualitative. An advantage of the case study, regardless of form, was the ability to assist in the support of a theory building (Lokke & Sorensen, 2014). When describing the theoretical research paths for case studies Lokke and Sorensen cited the work of Flyvberg, in which case studies identify real-life situations and test against phenomena producing an aspect of social life as they unfold. The concepts of phenomenology were used to construct questions, the case study design, which concludes with a way of conceptualizing, categorizing, and ordering the retirement plan decision-making process was preferable.

Crowe et al. (2011) described aspects of a case study design that provide a narrower definition of the type of case study used for my research. Naturalistic describes the exploration of a phenomenon in its natural context (Crowe et al., 2011), the phenomenon in this situation identifies the retirement plan management process. The management process was explored in multiple cases. Similar to the approach described by Crowe et al., multiple cases imply a collective case study design. If a study were larger in scope a social survey might be appropriate, to gather large amounts of information from multiple cases, the narrow scope nature of my study highlights the advantage of case study design (see Hammersley, 2004).

The benefits of the case study design to initiate research extend to the concluding results of case studies. Turner and Danks (2014) highlighted a focal point of process improvement, in which benefits can arise through successfully completing a case study. Given the assumption that researchers seek to understand the dynamics within a single setting and phenomena originating from a discipline that is complex or paradoxical (Turner & Danks, 2014), the design sets the foundation for identifying best practice recommendations within the existing process. To ensure the proper design in gathering process information Turner and Danks suggested a format of Benbasat, Goldstein and

Mead that I applied in which the examination of phenomena occurs in its natural setting, the collection of data occurs by multiple means, examination occurs among multiple entities and no indication manipulation of experimental controls occurred.

Population and Sampling

Considering the scale of the general population I used a convenience sample. The convenience sample was an approach common among qualitative studies which are less demanding, affordable, easy, and the subjects are readily available (Etikan, Musa, & Alkassim, 2016; Oppong, 2013; Robinson, 2014). Using the guidance of Oppong, the approach used matched similar qualitative studies in which the main objective is to collect information from participants who were accessible to me. In contrast to random sampling, which involves some sort of random selection of the population members, each member of the population has a known and equal probability of being selected. Similar to the approach described by Etikan et al. (2016), the most suitable participants to answer the underlying research question were preferred.

Similar types of nonprobability sampling techniques have advantages but are unlikely to be feasible given the scale of the general population. For example, using a purposive sampling, which a researcher decides what needs to be known and sets out to find the subject, was not ideal because the choice of participants could not be deliberate given the criteria (Etikan et al., 2016). Considering the size of a general population of all U.S. employers with workplace retirement plans, a hierarchical approach which refines the general population to an accessible sample pool was more viable.

One disadvantage of convenience sampling was the inherent risk of bias. As the primary researcher my professional experiences in retirement plan management, operations and design could not manifest in the study. As Robinson discussed convenience sampling biases and probabilities are not quantified and unpredictable (2014). The risk of gathering poor quality data affecting research outcomes is possible (Etikan et al., 2016; Robinson, 2014), hence, I chose a third-party for participant screening to minimize the risk. Considering my study was exploratory in nature, a consideration that the conclusions drawn from my research may validate the approach or provide examples of gaps in the approach that can be revisited in subsequent studies.

The framework of the hierarchical specification for my study was used to classify general, target, and accessibility in the following manner. The general population included business leaders of all employers with workplace retirement plans, a single attribute of interest was they have workplace retirement plans. I further refinemed the target population to employers with workplace retirement plans and more than 100 employees who work with stakeholders for ongoing maintenance and compliance and use defined contribution plans purchased through a national plan provider.

Once I provided the participant criteria, the target population of employers responsible for one plan installation or conversion, to the service generating the participant pool I was able to begin the process outlined in Figure 3.

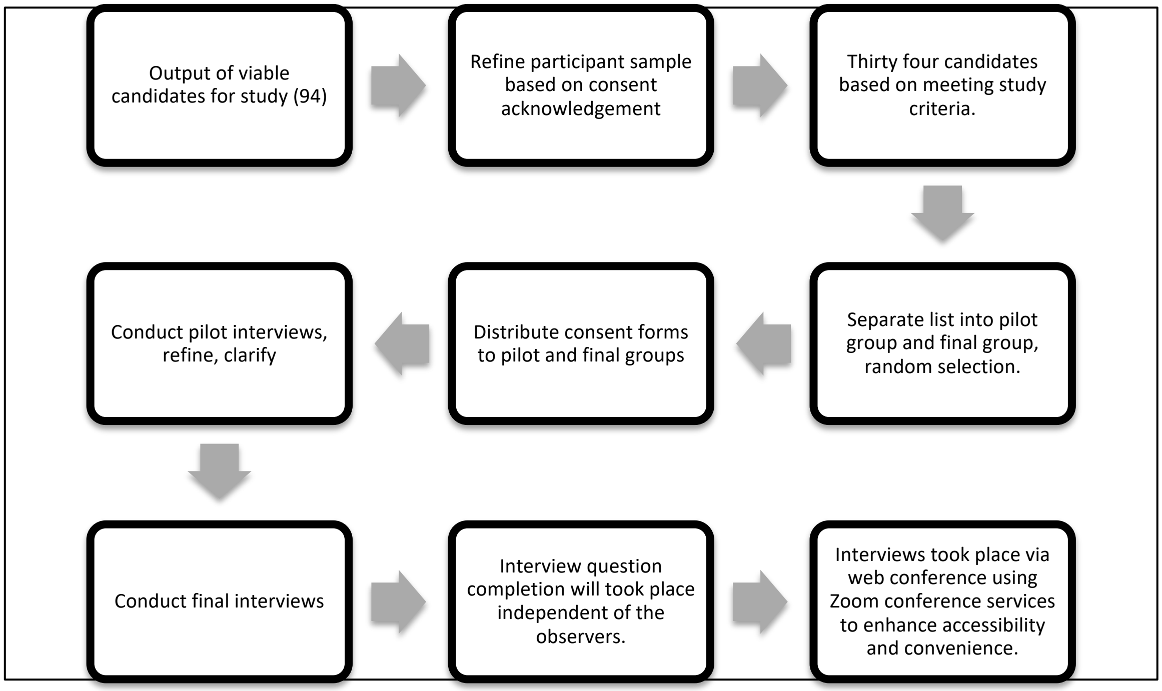


Figure 3. Population and sampling process

Case studies are appropriate for exploratory exercises to establish baselines for phenomena (Baskarada, 2014; Boddy, 2016). Rich information can be attained through as little as one case study in lieu of multiple studies or multifaceted studies (Baskarada, 2014). Data saturation occurs when repetitive information is no longer possible, my findings indicate the case study was an appropriate framework to provide rich context from a single case (Morse, 2004). Ideally, saturation entails collecting data from subjects capable of providing insight within a scale that infers generalizability (Litt, 2010; Morse, 2004). The approaches of theoretical saturation are typically an approach of grounded theory, the same principles apply in any qualitative research in which the data collected as part of a process that is exploratory in nature (Litt, 2010; Morse, 2004).

I used a pilot study to determine plausibility of data saturation based on the questions, validating or changing to ensure saturation during the final study. Boddy (2016) described instances in which sample sizes as low as 10 and no higher than 30 are appropriate to determine saturation. Boddy has indicated multiples of 10 subjects are appropriate for a minimum sample participant base. A fact conferred by Baskarada (2014) who indicated a minimum of between 10-12 subjects or units for a minimum sample in exploratory cases. Mason (2010) has noted qualitative studies of smaller project sample sizes, consisting of at least 25 participants, are sufficient as little net new information occurs by interviewing more than 20 people. My pilot study was an interview with 10 relationship managers responsible for the provider to plan sponsor relationships and on-going support for retirement plans. I developed the research questions on my own; I did not have a pre-existing question format to answer my research questions. Instead, I used the pilot study to serve as a form of reliability and validity with a set of standard research questions.

Pilot Study Research Questions.

1. In what ways, have you supported the employer-sponsored retirement plan so that employees are saving?
2. How do you minimize the organizational risk of retirement plans for Plan Sponsors?
3. What strategies do you use to minimize the organizational risk of retirement plans?

4. What tools and resources minimize the organizational risk of workplace retirement plans?
5. How do you advise plan sponsors on their fiduciary liability associated with your organizational workplace retirement plan?"
6. What steps help to mitigate fiduciary liability among plan sponsors?
7. How is an organizational risk of retirement plans communicated to managers and directors of the organization?"
8. What are your top three resources used to mitigate organizational risk of workplace retirement plans?"
9. What approaches or strategies towards organizational risk of retirement plans that have not been discussed that may be important to this study?

Open-end questions were used as follow up, for example "does this question make sense to you?" and "Do you understand the terms used?" to refine the interview protocol. Checkboxes to acknowledge comprehension of the terms "fiduciary" and "organizational risk" were added to the screening questions based on the pilot study questions.

Ethical Research

The context and compliance of Belmont Principles infer more than consent being graspable, free from perplexing jargon and legalese, and available in the participant's language. As several scholars have ascribed, the consenting process should explicitly describe the relationship between the participant and research throughout a study (Bromley et al., 2015; Cascella & Aliotta, 2014; Hammer et al., 2016). Specifically, Bromley et al. (2015) inferred that in its simplest form Belmont ascribes that individual becomes a subject by consenting to provide data, the process was task focused centering on completing activities to generate data, and once the data collection was complete the subject role and relationship with the researcher ends.

Participants in the interview portion of my study consented through a consent agreement prior to the beginning of the interview. The consent agreement denoted that, as conducted, the interview was part of a doctoral study, participation was voluntary, and results were only to be used to supplement academic findings throughout existing research. A pilot study, using a ten-person sample of participants, was provided with a similar consent form, differing only in the expectation in which results are to be used to revise interview questions.

The general population of my study included business leaders among all employers with workplace retirement plans. Ninety-four business leaders met the criteria of belonging to employers with workplace defined contribution retirement plans, with greater than 100 employees, who work with stakeholders for ongoing maintenance and compliance, and purchased through a national plan provider. Thirty-one participants consented to participation in the study; the process of consenting, documenting responses to the research questions (see Appendix A), and agreeing to an interview (see Appendix B) resulted in a final sample of 13 business leaders. Incentives were not used to entice behavior; the participation in my study was on a voluntary, participatory basis with a full right to withdraw at any time in the process. In the consent form language, a statement that the data was maintained in a secure location for at least 5 years to protect the rights of participants appeared.

The participant received a description of the research and the scope of participation in the research study. The participant was made aware of potential risks, associated with participation in my study, and potential benefits resulting from the research study. The participant received language that describes the protection of confidentiality. The participant received language that addressed the voluntary nature of my study and the process of withdrawal from the research study. The participant received the contact information for myself and university affiliate.

The identity of participants, direct supervisors of participants, and companies related to my study were not be revealed in any publication resulting from this study. Participants were identified through number assignment correlated to participation in the project. The responses to interview questions and the retention of the consent form were maintained under a secured URL for at least 5 years from the date of the interview.

Data Collection Instruments

I was primary data collection for my exploratory case study. As a researcher, I used semi-structured interviews to collect information that was used to answer the primary research question. Documents that were used in the pursuit of data collection, or obtaining approval, are in the appendix section of the study. As a first-time researcher of this scale it was imperative to test the efficacy the process using a pilot study.

My interview protocol matches that of Castillo-Montoya (2016) in which the process was a four-phase framework which includes; (1) ensuring interview questions align to with research questions, (2) constructing inquiry-based conversations, (3) receiving feedback on interview protocols, and (4) piloting the interview protocol. Aligning the interview questions with research questions increases the utility of the interview questions validating necessity (Castillo-Montoya, 2016).

I used a single case study, in which eight interview questions were asked of subjects to uncover the process stakeholders use to minimize the organizational risk of retirement plans. The eight questions, which were follow-up or clarifying in nature, have been constructed to uncover the process of minimizing risk. This framework allows for saturation in a manner similar to the deductive process described by Boddy (2016) as highly informative and meaningful when discussing management and medical research.

The instrument of data collection was multi-faceted; as discussed, I am one component as the researcher who serves as the conduit of data collection, the second was using the survey delivery system SurveyMonkey to collect participant responses. A matrix using a Microsoft Excel spreadsheet, IBM SPSS Statistic Software and NVivo version 12 software to use to segment and further analyze the responses. I found the IBM SPSS Statistic Software to be compatible with spreadsheets from multiple stakeholders and format friendlier than Microsoft Excel. The Microsoft Excel spreadsheet, IBM SPSS Statistic Software and NVivo version 12 software served as the collection source of pilot study and final study data. The spreadsheet, found in Appendix A, contains one tab for the pilot study, followed by a master slide to aggregate all responses, then individual slides to capture the question by question response of participants.

The interview protocols also serve the purpose of enhancing reliability and validity; as described by Asiamah et al. (2017) and was the essence of every study. The protocols allowed me the opportunity to see if the sample was *fit for purpose*, defined by Catania, Dolcini, Orellana, and Narayanan (2015) as validating whether the sample was appropriate for the purposes of a study. The two methods of validation I used were a pilot study and interview transcription, the process and rationale for the two methods were outlined the following section on data collection techniques. The protocols increased the quality of data obtained through research interview, provided me with a shared language outlining the steps of the protocol, and ensured congruency of my study (Castillo-Montoya, 2016).

Data Collection Technique

In a similar fashion to the protocol suggested by Chenail (2011), I incorporated a pilot study, which allows for the opportunity to refine aspects of my methodology. I used the pilot study to address important logistics related to my research. Specifically, to administer the questions in the same way as in the main study, to ask the subjects for feedback to identify ambiguities, to challenge questions, and to record the time taken to complete the interview (Chenail, 2011). I used the results of the pilot study to decide whether the process was reasonable and provides a better record of participants time commitments in the IRB protocol, and last, to discard ambiguous questions.

Three observations from the pilot phase influenced the final study. I sensed that the focus on relationship managers might lead to biased results. Responses to questions about reducing the risk of fiduciary responsibility were highly weighted toward proprietary products. In cases which a response was not product-oriented, the content was vague and ambiguous. Second, campaigning was the primary source of engagement with the participant base. My initial attempts to discuss strategy were bogged in proprietary product discussions instead of rationale and reasoning. The digital distribution of educational resources or best practices was the primary source of risk mitigation guidance offered. Last, the focus on relationship managers did not offer the perspective of business leaders faced with personal liability. The questions were written to understand how risk was communicated; however, the benefit of understanding risk from the perspective of personal liability would be more impactful.

As a result of the pilot phase, I made significant changes to my study. I changed the audience to reflect the perspective of a business leader rather than a stakeholder. By targeting business leaders, there would be a limited likelihood of a proprietary product solution. Second, I developed the research questions to provide a first-person perspective as opposed to a second-hand account. The change was advantageous to represent decision-making under particular duress. I used open-end and follow up questions to better understand the reasoning for decisions as opposed to the effect of the decision.

As discussed in the protocol described by Castillo-Montoya (2016), the process allowed me to ensure alignment questions within my study, receive feedback regarding the interview protocol, and pilot the interview protocol. The pilot study was conducted following successful approval of the IRB and prior to the formal research study.

The pilot study provided several important insights in regard to accessibility of participants and their objectivity. My initial target population was relationship managers, the representative of the plan provider or plan administrator who assists the business leader. Attaining an acceptable sample size proved to be difficult. A representative comfortable with completing the letter of cooperation (Appendix C) to access employees made the process of arriving at an ideal sample size both challenging and time consuming. Individuals were chosen by the employer, and it was clear from the responses that employees were not comfortable describing details other than available resources within the organization. As a result of the pilot; I changed the participant base to stakeholders who were business leaders in a fiduciary capacity, widened the scope to include Dynata for a nationwide panel, and added screening and descriptive data criteria.

Data collection using interviews was ideal given the scope of exploration (Houghton, Murphy, Shaw, & Casey, 2015; Jamshed, 2014; Rimando et al., 2015). Online or paper survey would not permit the rich detail captured in an interview format. General observation would posit a better understanding of the phenomena in the natural setting, though, the context and nuance of the phenomena would be difficult to interpret (Jamshed, 2014). Likewise, alternative techniques like site visit or video recording would not allow the interaction between to researcher and participant to better understand context and nuance (Houghton et al., 2015). I used the pilot test to provide rich in detail responses using a technique best suited for context and nuance.

Documenting the pilot study results occurs in the interview protocol matrix (see Appendix A) tab identified for the pilot study. Prior to input within the matrix, as with the final study, I used a NVivo version 12 transcription service of the interview to avoid the infusion of research bias into the responses. Inquiry-based conversations refer to the process of asking questions that specifically relate to the research study. I used a semi-structured qualitative approach for interview questions, comprised of open-end questions to enhance the interaction between researcher and subject. Based on the form of questions, I used a naturalized approach of transcription; a process which allows for what was said, how words were said, also including contextual language through the recording of interview session (Azevedo et al., 2017).

Prior to conducting formal interviews, I ensured the feedback protocols attain the information sought in the interview process. The best way to test this validation was through the pilot study process which I conducted prior to the formal study. After the pilot study, I found that through a refinement process the final study meets the second component of the interview protocol by constructing an inquiry-based conversation. I input information from the pilot study into the matrix and transpose this information, refinement or follow up questions, into the master tab of the formal study. The pilot study, transcription of the pilot study, and conclusions of the pilot study reside in the interview protocol matrix prior to the formal study.

To begin the data collection process, I worked with the market research firm Dynata to develop screening questions and descriptive data appropriate for the study. Upon selecting screening questions and demographic data, Dynata used their online panel of participants to recruit 100 potential business leaders to participate in my study. Over seven days, Dynata ran a campaign to recruit participants. After the campaign, 94 qualified participants were sent to me via email.

SurveyMonkey was used to gather screening information and demographic data on participants, as well as short-form responses to research questions. The final questions of the screener survey asked if the participant would like to participate in a research study conducted by the researcher and provided with my email contact information. Upon consent, participants were routed to a new page to read and consent to the voluntary nature of my study by checking a box. The participant was not able to proceed if they choose to participate. I did not offer incentives to participate in my study. Dynata, used a form of incentive to recruit the original participant base. The method of incentive was based on Dynata and included in the total cost of using their service.

Contact was initiated with business leaders by email. Ninety-four prospects were sent an email with a link to participate in the study. Ten of the prospect email addresses were undeliverable, leaving the contacted pool of 84 business leaders. In response to the email request, 13 business leaders consented and participated in the short form responses. I conducted a follow up with the 13 Business leaders who participated in short-form responses and indicated they were available for a 30 minute follow up interview. Five of the 13 business leaders agreed to a follow-up interview, three of the five business leaders attended the scheduled appointment and participated in a transcribed interview.

The interviews were conducted via Zoom video/audio conference software. Personal phone numbers were not used; instead, participants dialed into a standard conference call number. Two recording devices were used to capture interviews; first, Zoom conference call software has an embedded recording capability; as part of their services, the conference call recording. A secondary recording source was Garage band software, simultaneously recording through the audio output. The method of the conference call for interaction limits the effectiveness of tools like a cell phone, a personal recording device, and a form of a transcription pen. Garage band was used to convert the transcribed interviews into mp3 files, which were subsequently transcribed using a NVivo version 12 transcription service.

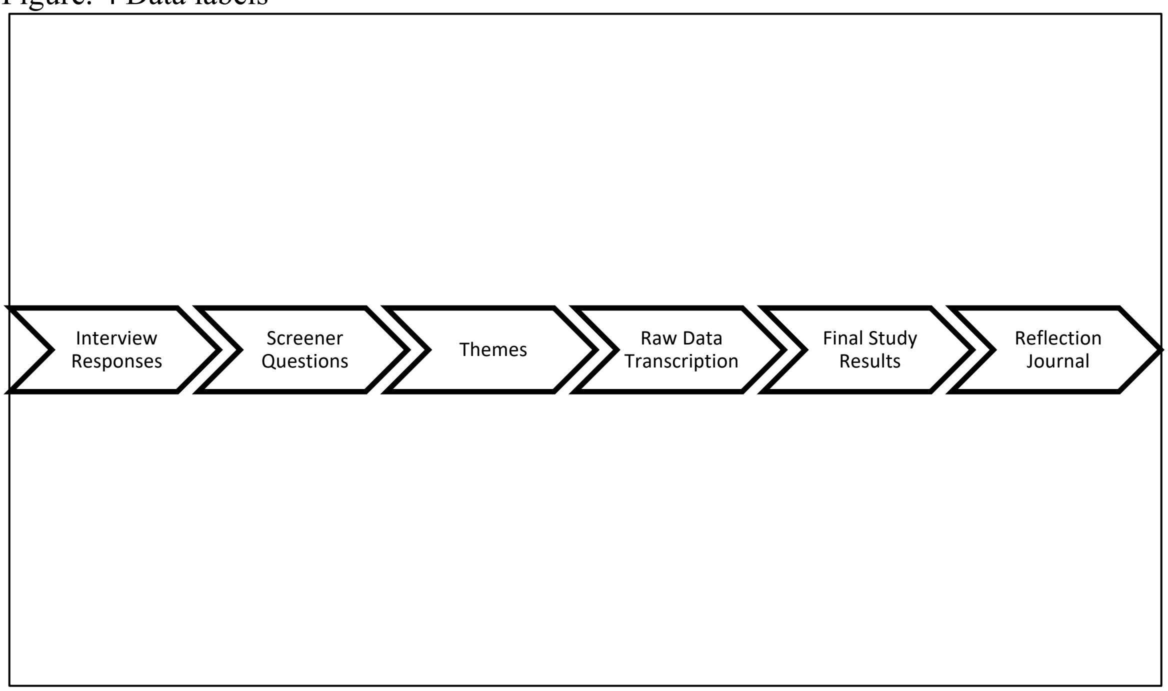
To achieve triangulation, I used a combination of literature review, interviews, and member checking. Member checking was achieved by providing an aggregate of responses in a thematic hierarchy. A word cloud export of the transcribed interview to ensure the essence of the conversation was accurate. Interviewees were emailed a pdf of the interview word cloud and asked to provide any feedback within five days to ensure accuracy, however, no feedback was provided.

The data collection process and use of the interview protocol matrix had several advantages. One advantage was the ability to identify gaps in the alignment of interview questions to the purpose of my study as described by Castillo-Montoya (2016). Changing the audience and scope of questions allowed for a better data collection process. I used the guidance of Azevedo et al., (2017) in two aspects of my study. First, the construction of an inquiry-based conversation, the transcription of the conversation, and thematic analysis in NVivo version12 shows authenticity in the interaction between researcher and participant that is captured in the collection process. Next, I used a digital transcription service, through NVivo for member checking, as a tool to limit misunderstandings and biases. In instances, the use of human transcription has an inherent likelihood the same interview may be transcribed in different ways by different people (Azevedo et al., 2017).

Data Organization Technique

The maintenance of interview data occurs in an interview protocol matrix. The matrix I chose uses the labels of the interview protocol, the refinements of questions or follow up questions, the raw data transcription, and subsequent final study results as illustrated in Figure. 4. The matrix contains the aspects described by Yujin (2011); including issues or barriers to recruitment, the Epoche process, reflections of me from a situational perspective, and modifying interview questions. The raw data retention occurs in a secure URL cloud-based database for a period of five years from the conclusion of my study. After five years the raw, paper and electronic, data will be deleted and will not be archived.

Figure. 4 Data labels



As a researcher, avoiding bias and setting aside the inclination of such biases to influence thinking was paramount. This practice is referred to as an Epoche process, which I used in the following way. The purpose of the research study was not to associate an opinion, whether favorable or unfavorable, of fiduciary responsibility. Second, the research study was not a determination of the full scope of risk associated with retirement plans. The purpose was to begin a process of understanding, how workplace retirement plans have evolved and if such an evolution was aligned with standard risk management practices.

The research questions were process of discovery, using semi-structured interviews to hear from those closely aligned to the retirement plan process. The questions were segmented to understand how risk was communicated, how risk was mitigated and the understanding of risk among stakeholders. Once data had been collected the responses were aggregated under the themes of governance, stewardship and leadership. Throughout the process my views were not infused into the responses, I have limited the ability to nudge an opinion, and upon the conclusion of data collection I report out the findings. While all biases cannot be erased, the process avoids or reduces the likelihood of adverse bias or focus.

Several methods of capturing, interpreting, and analyzing the data collected in a qualitative study have been identified by previous scholars (Carter, Bryant-Lukosius, DiCenso, Blythe, & Neville, 2014; Cleary, Horsfall, & Hayter, 2014; Morse, & Coulehan, 2015). I chose a combination of transcription within NVivo version 12 and other forms of data organization. A reflective journal is the documentation of thinking in a critical and analytical way about research in progress until conclusion (Outlaw & Rushing, 2018). I note the overall impression of organizational risk at the participant level, observations of why questions were refined or to conduct follow up, feedback gathered from participants, and process logistics. I feel this information was helpful in the data analysis section as a baseline of research insights to compare to themes identified in final study. Alternative approaches included labeling systems and research log, which were more common in experimental and clinical studies (Morse, & Coulehan, 2015). As the participants in my study were providing commentary on expertise, labeling and research logs would not be the best method. In the case of my research, I used NVivo version 12 technology to capture the essence of the data and arranged in a way that easily identifies commonalities as prescribed in existing literature (Cleary et al., 2014).

Data Analysis

As a researcher, the argument that a method was appropriately scoped to reach an outcome was a top priority to address in the findings. conceptualizing the qualitative process to that of the more familiar quantitative process was advantageous. I am an advocate the benefits of qualitative research methods, in which word cloud visuals and thematic hierarchical pictures, as opposed to numbers, are used to describe situations. The alternative approach offers a degree of precision in description and stringency throughout the interview analysis process and interpretation. Such precision, in essence, as to replicate in qualitative interviews the exactness of quantitative measurements. Quantitative methods allow a researcher to reach conclusions based on granular detail, the qualitative process allows a researcher to reach conclusions through saturation, whether granular or thematic.

The benefits of LMX include easing communication differences and varying perspectives of individual participants, insight into the perspective of a collective group, identify the influence of higher quality relationships, and identify ways to increase levels of trust. In analyzing the data, I used themes categorized by similar segments to convey the results as a best practices summary.

The audit process contained two phases; a categorical depiction of data collected, and the process of intellectual interpretation (Carcary, 2009). The categorical information included raw data, data reduction and reconstruction, analysis and process notes, and preliminary development information. The process of intellectual research included a depiction of a starting philosophical position, questioning the positivist position, consider alternatives, search for a philosophical stance, interpreting the evidence, and the distillation of new theory from the body of research. The important issue in qualitative research was achieving a congruence of understanding, in which, confirmability occurs either within the context of the research or, context to which the research findings were to be applied. Qualitative research possesses several unique characteristics that were difficult to fit perfectly into the positivist paradigm of quantitative studies.

The qualitative researcher can also provide vivid and rich detail through a naturalistic paradigm in which the unique characteristics of phenomena may be present. One challenge is the possibility for the interpretation of data to be skewed by a single researcher. To the extent that single interpretation can skew the overall results of a study, I shared the results of my analysis with two reviewers, relationship managers in the retirement plan industry with more than 25 years of combined experience, prior to full submission. The reviewers were individuals familiar with the retirement industry and research methodology, allowing for the member checking function to be served mitigating bias. The reviewers agreed with the use of terminology, context of the problem, and potential interest of business community.

Member checking is form of feedback or validation; in which the final stage of the interview is to view an aggregation of the responses in word cloud and thematic hierarchy chart. I incorporated this step as a check if the appearance of a disconnect between a response and the interpretation. The process to took 10 days at the conclusion of final participant interviews.

NVivo version 12 software was used for data collection and thematic analysis. The combination of document storage, data analysis tools, and simple coding methods were contributing factors in using NVivo version 12. Alternative software such as HubSpot, MAXQDA, or Microsoft Excel, in my view, were inadequate for collecting the various types of data and thematizing my dataset. A Codebook supplement guide containing the themes, labels, and instances to validate the efficacy of research was provided.

The first layer of analysis was to develop a persona of the participant pool, descriptive information of their experience, role, comprehension of terms, and binary responses to screening questions. I used SPSS software for the first layer, given the data point form of responses. In the initial layer, all business leaders in the pool of 94 contributed a short form response describing their last retirement plan provider interaction. I collected the information in NVivo version 12 as a standalone data set for use in the overall analysis.

The second layer of analysis was to use NVivo version 12 software to identify themes from existing literature, short-form responses, and interview transcriptions. For example, I categorized a preferred fiduciary approach based on the themes of Structured, Communication, or a blend of the two approaches from existing literature. Further analysis included an overview of organizational risk based on business leaders who were advised on fiduciary liability, about the communication of risk, and the strategies to minimize risk.

Another layer of analysis was the interviews that capture three perspectives of fiduciary liability and organizational risk. The perspectives of an ERISA attorney, manufacturing business leader, and a senior executive fiduciary. The final analysis was to identify best practices and align with a communication format for the business leader audience.

Reliability and Validity

Reliability

Member checking is a process of participant involvement to check and to confirm the ideas and responses captured during the interview process (Birt, Walter, Scott, Cavers, & Campbell, 2016; Harvey, 2015). The member checking process has several advantages; as indicated by Harvey (2015), the process was a form of verification and confirmation of the response accuracy. Similarly, Birt et al. (2016), described the process as a form of respondent or participant validation that involve the participants or focus groups. Member checking exists in various forms which are dependent on the theoretical issues and methods implored. For example, various approaches toward re-engaging the sample participant base including returning verbatim transcripts, subsequent interviews using the transcript, or an interview of all participants using the analysis of the single participant data (Birt et al., 2016) exist. Focus groups can be used to compare the results among a group of individuals, or member checking through a synthesis of analyzed data (Birt et al., 2016; Harvey, 2015).

My approach in analyzing the collected data was to use a member checking process with synthesized analyzed data. To ensure transparency to the business leader population the consent process acts as a form of reciprocity, in which the results and conclusions captured in my work provide valuable information plan sponsors and the providers of risk management services. The results may offer valuable training opportunities for stakeholders in this space. The member checking approach of synthesized analyzed data validate and confirm accuracy for the reliability of my study and identify training opportunities for the business leaders.

Validity

The business leader was best equipped to answer the central question of my study; a narrowly focused exploration of how provider/plan sponsor conversations were guided by stakeholders to mitigate organizational risk of retirement plan programs, and, the products and services to mitigate such risks. Given the narrow scope, stakeholders and the lens in which the discussion of organizational risk occurs allows for credibility as a participant in the research study. As described by Baskarada (2014) the case study design and expertise of the participant base was ideal for generalizations which transform tacit knowledge into explicit knowledge, a process in which the stakeholders were uniquely equipped to provide insight.

The conclusions documented in my study also lend to its transferability, as the conversation of organizational risk was assessable from the perspective of the business leaders receiving the information, the participant in the retirement plan in consideration of the best interest, or the financial professional responsible for investment decisions. As discussed in the purpose of the study; the current climate of fiduciary breaches, and organizational liability born from 2015-2017 fiduciary guidance, were central themes to the decision of conducting my study now with the business leader group as participants.

The member checking approach of using synthesized data serves two purposes; first the confirmability of my study was assessed by confirmation or corroboration of the leadership team of the stakeholders reviewing the synthesized data. The second was the aspect of data saturation, in which literature reviews, interviews and transcription of the interviews represent methodological triangulation of my study. As Morse (2004) described the data collection and validation was an outcome of inquiry to develop concepts further and clearly describe the connection to other concepts. An extended discussion of organizational risk to include the perspective of another stakeholder would be ideal, however the scope of my study was best suited to articulate the change management process of addressing such risks with the leader-member exchange framework as described by Arif et al. (2017) and Newman et al. (2017).

Transition and Summary

The objective of this qualitative multiple case study was to reveal the strategies presented to business leaders by stakeholders to minimize the organizational risk of workplace retirement plans. My study was an exploration of organizational risk in which I leveraged the expertise of the stakeholders as the primary participants. I used a qualitative methodology in which I investigated the problem through a holistic lens in which individuals, groups, activities or phenomena effected by workplace retirement plans were captured. Specifically, I used the design of case studies to act as a form of discovery or act as form validation of the efficacy of the research problem. Considering the scale of the general population I used a convenience sample, an approach common among qualitative studies which are less demanding, affordable, easy and the subjects are readily available to arrive at the desired number of participants.

My interview protocol matches that of Castillo-Montoya (2016) in which the process was a four-phase framework which includes; (1) ensuring interview questions align to with research questions, (2) constructing inquiry-based conversations, (3) receiving feedback on interview protocols and (4) piloting the interview protocol. Last, interpreting the collected data occurred through several methods of capturing, interpreting and analyzing the data collected in a qualitative study. The rigor of the framework and data collection served as the basis for Section 3 which highlight the results of my research.

Section 3: Application to Professional Practice and Implications for Change

Introduction

The objective of this qualitative multiple case study was to explore the strategies stakeholders presented to business leaders to minimize the organizational risk of workplace retirement plans.

Presentation of the Findings

Findings indicated named fiduciaries were aware of their responsibility through previous experience, inference as a business leader, or through a third-party consultant. Business leaders were aware of their limited understanding and feel comfortable seeking the guidance of a third party, or indemnification through a product for fiduciary risk mitigation. Business leaders successively communicate the risk to other stakeholders of the organization. The communication of risk occurs at a meeting or training for to communicate risk. As shown in Figure 5, the communication to stakeholders was a three-step process.

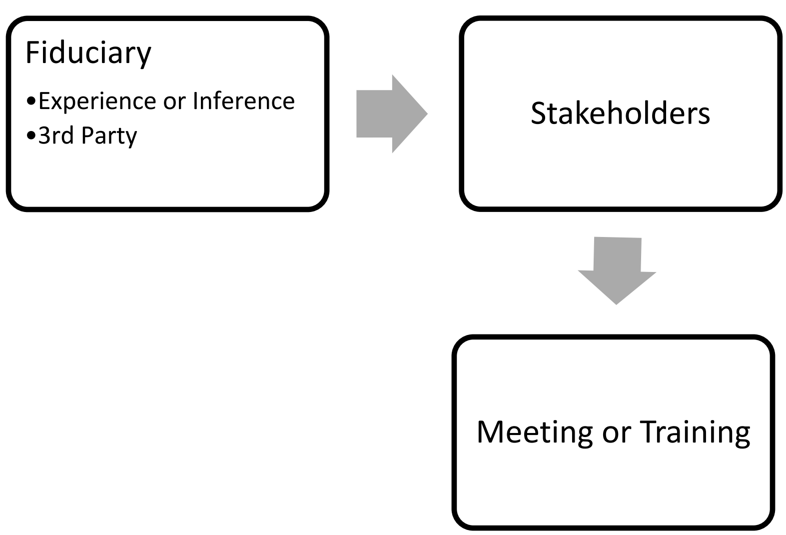


Figure 5. Fiduciary communication

The remaining portion of Section 3 is a presentation of this research in a two-part process; Part 1 is a thematic analysis of interview data collected among ten business leaders of varying industries and Part 2 is a secondary analysis of follow up interviews with specific business leaders to add context to their responses. Throughout the analysis, I will align the findings to similar research identified in the literature review to synthesize the relevant themes of risk mitigation for workplace retirement plans.

Analysis of Findings

Concerning the initial interview data, two major themes emerged. These themes were the strategies used to minimize organizational risk, an area comprised of 31 of 66 risks coded thematically and the communication approach among stakeholders for awareness of fiduciary responsibility, which accounts for 25 of the 66 coded responses.

As illustrated in Figure 6, business leader strategies to minimize organizational risk include investment compliance as a top of mind, followed by plan compliance; however, business leaders were also comfortable allocating fiduciary duties to committees or third parties. In the interviews, my data coding indicated investment compliance as the most referenced strategy. Investment-oriented risk strategy coding includes investment selection, investment price, or suitability. Plan compliance was the second form of risk mitigation, in which coding includes references to match, testing, or administrative guidance. Where business leaders could not explicitly articulate an investment or plan compliance strategy, the alternative approach was to create a separation between the fiduciary and potential conflicts.

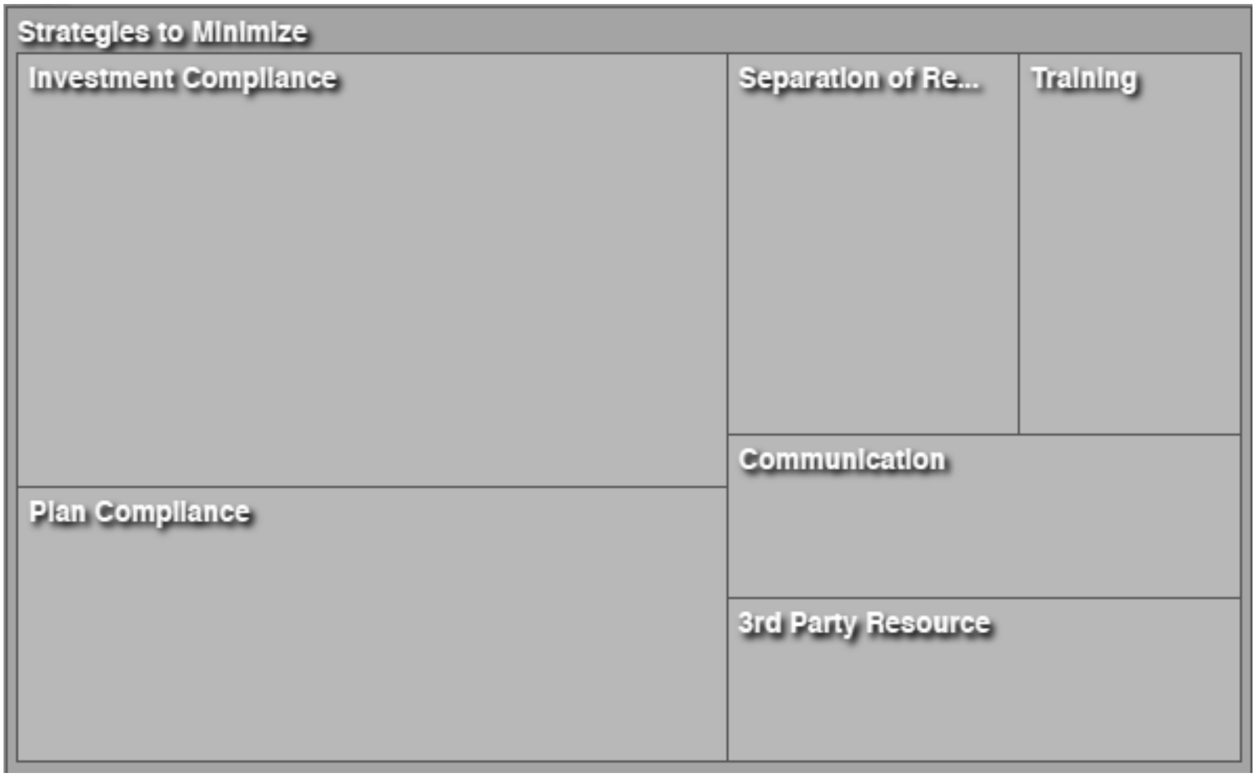


Figure 6. Strategies to minimize risk

To mitigate self-dealing, Geller (2015) described a vehicle to mitigate personal liability, the retirement plan committee, in which members ensure diverse voices were present in the overall decision to select plans and programs. As Geller surmised a retirement plan committee's awareness of DOL initiatives, the appropriateness of a due diligence process, understanding of revenue sharing methods, and alignment to an investment policy statement were imperative. Retirement plan committees should make fiduciary decisions concerning the plan as experts would, with the same care, skill, prudence, and diligence under the circumstances (Geller, 2015).

Separation of duty was a commonality among interviewees. My research showed that business leaders use separation of duty as a mitigation strategy for fiduciary breach penalties. Based on interview feedback, the predominant vehicle to segment fiduciary duty was the committee. Some business leaders indicated committees conduct due diligence on all plan investment at regular intervals to ensure continued appropriateness, and the level of diligence was reasonable and appropriate under the circumstances. Similar research by Geller (2015) surmised that committees outline a process to effectively and competitively bid recordkeeping services and limit the payment of revenue sharing from the plan service provider. Business leaders were consistent in ensuring an audit trail of communicating, based on the documentation referenced themes, and acknowledging the communication of responsibilities. Although the phrasing varies between investment committee, 401K committee, and fiduciary committee, my research showed business leaders implore a similar strategy consistent with the expectations of the committee and align to baseline activities of Geller.

The hierarchy of themes in Figure 7 depicts the principal setting for communicating the organizational risks of retirement plans which influence fiduciaries and stakeholders occurred at training or meeting for this purpose. Method of communication, meetings, or training for this purpose occurred 15 times out of 25 coded responses on communication. The closest comparative method was electronic documentation or directly through a third party, each with three coded references. As shown in the thematic hierarchy chart for risk, references for investment compliance and training or meeting were visibility significant.

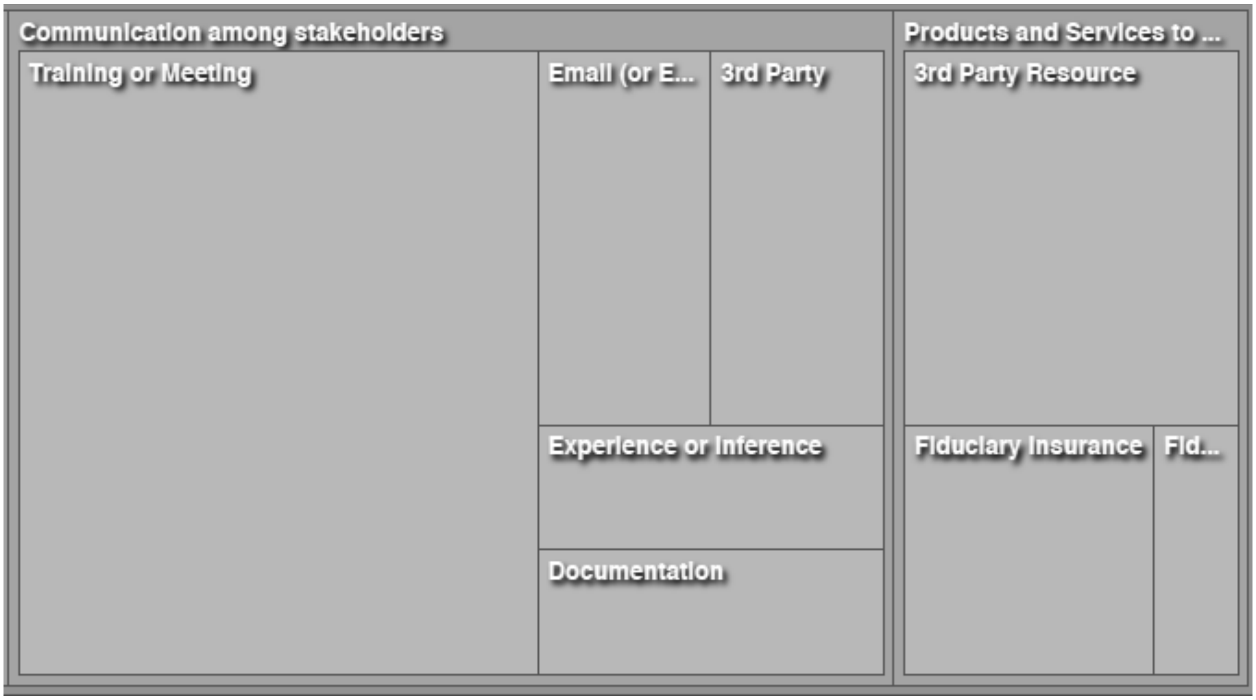


Figure 7. Stakeholder communication

It seems as if products were available to minimize the risk to organizations as well as a personal liability; however, they were often neglected. Fidelity bonds are a requirement and protect the organization against the harmful acts of fiduciaries; however, the product was seldom mentioned. Similarly, fiduciary insurance was available as optional coverage to alleviate the personal liability of fiduciaries, often paid for by the firm; however, as with fidelity bonds, it was seldom mentioned.

An ERISA attorney interviewed as a business leader was able to add valuable context in this area.

> But it's interesting when my clients get audited how many of them don't have a fidelity bond because they're just unaware of the requirements. I think in general there certainly is of some awareness, but I think many clients need to be educated

> about that because they just you know they just don't know. I mean the insurance company, or you know an investment company calls them up to say we can set it up. But they don't tell about all these regulatory issues. And one of them is the fidelity bond. So, I would say that that's something people need to be educated on.

Bonestroo (2017) posited that business leaders who may not understand fiduciary responsibility will fall into three segments: (a) those who possess the required expertise, (b) those who seek guidance in which expertise does not exist, and (c) those who were unaware of the influence of their actions/decisions. The findings of my research align with Bonestroo. My research indicated that those unaware of the actions made references that may likely represent a potential conflict. Through thematic coding illustrated in Figure 8, business leader coding aligned to Bonestroo; those who seek guidance accounted for a significant weighting of business leaders aware of their responsibility with six coded responses. Business leaders sought the guidance of an expert more often, with one possessing expertise in ERISA. Furthermore, when counseled, guidance was about investments or plan compliance.

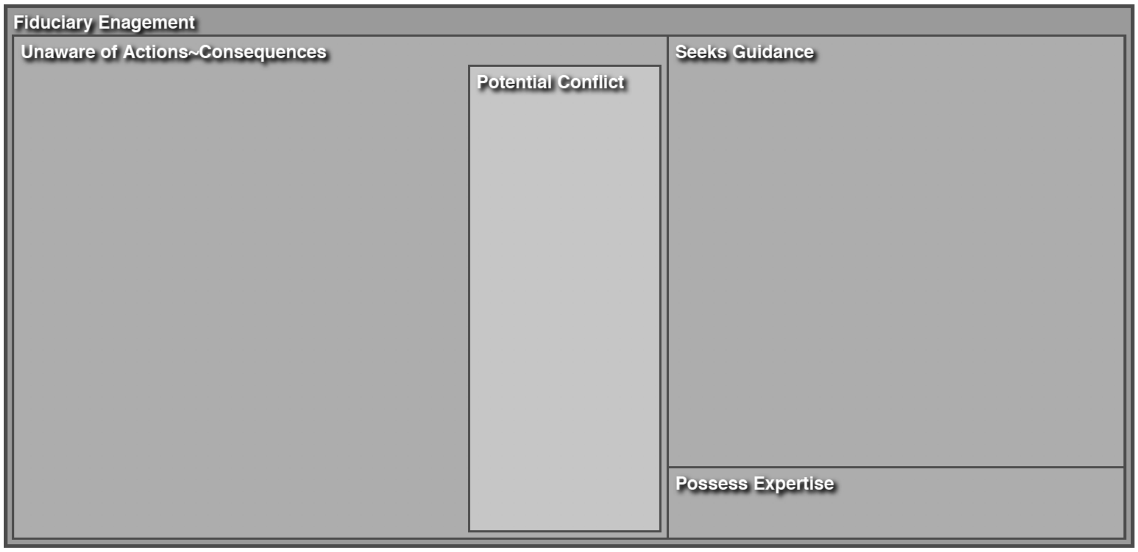


Figure 8. Fiduciary Engagement

Behavioral Governance

Behavioral governance is a body of work in which the focus of research delves into the decision making of business leaders. Lew and Sinkovics (2013) expanded the scope understanding to the decision making of leaders; which extends to partners and other stakeholders whose decisions influence more than just the individual. Trone used a connotation of behavioral governance which includes governance, leadership, and stewardship, to segment aspects of fiduciary liability (Pasztor, 2016). The findings of this research will aim to communicate organizational risks of retirement plans in an informative and solution-oriented manner. Hence, to maintain consistency of communication in fiduciary responsibility to business leaders, the behavioral governance framework was applied in the presentation of results.

Governance

The governance of a retirement plan has changed significantly since programs pre-ERISA in the early 1970s (Bonestroo, 2017; Guerriero, 2017; Swisher, 2017). Governance represents the adherence among business leaders to stated fiduciary responsibilities. As defined contribution plans have gained in popularity from 2000-2015, workplace retirement programs are a multi-faceted decision-making process for employers. My data shows that the objectives of workplace retirement plans are multilayered to mitigate fiduciary liability, leverage internal and external relationships, and engage employees in purposeful retirement planning. Similar research carried out by Bonestroo (2017) found comparable results in which retirement programs reduce employer costs for employee retirement, mitigate fiduciary liability, take advantage of tax benefits, and engage employees in purposeful retirement planning.

The findings of my research show evidence that business leaders were aware of, counseled on, and further communicate internally to stakeholders the personal nature of fiduciary responsibility and the penalties associated with a breach. Research conducted by Guerriero (2017) and Bonestroo (2017) found that business leaders who act as fiduciaries have additional exposure as ERISA Section 409 specifies plan fiduciaries can be held personally liable for losses attributed to a breach. An analysis of Section 409 breaches found personal liability from a fiduciary breach incurs an average penalty of $500,000 (Bonestroo, 2017). My findings, illustrated in Figure 9, show a preference of business leader to hear and communicate fiduciary responsibilities in meetings or training for that purpose. Similar research by Guerriero (2017) found that fiduciary duty is a two-factor system of how a fiduciary is assigned and the penalties for breaching fiduciary liability. My findings add further context showing that the communication of assignment of fiduciary duty and penalties associated with a breach occur at meetings or training for that purpose.

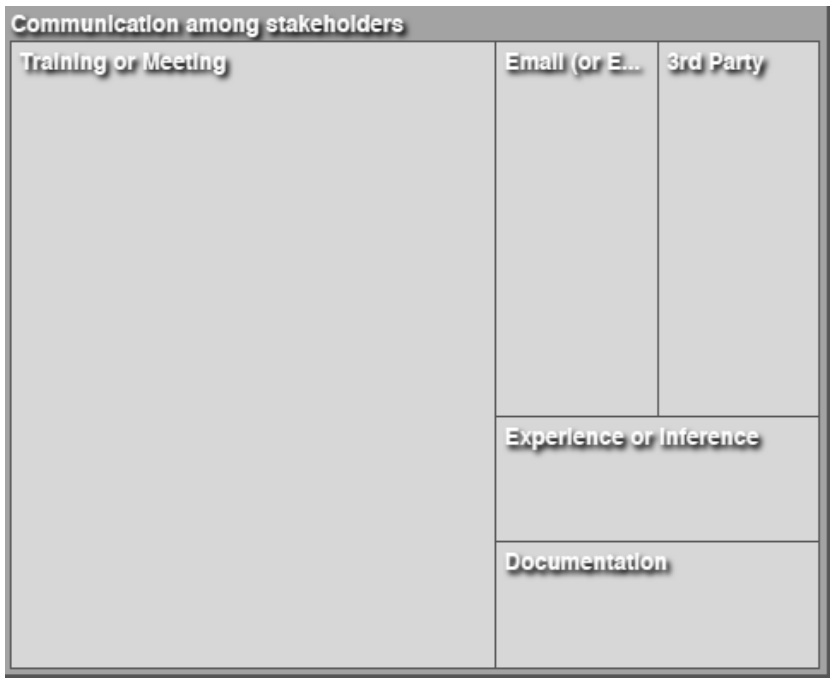


Figure 9. Communication only Interviewees seemed to be conflicted between what was a compassion and giving approach towards risk mitigation and the penalties associated with the breadth of fiduciary responsibility. The conflict in some instances led to a new or innovative approach, while other times, documentation and transparency were preferred. Business leaders have a similar theme as they describe the best interest of the employees/participants in the decision-making process.

> **Senior Executive Interview.** You know I would just tell you as the president I still have this concern about whether our employees are investing. You know I'm

still not totally convinced our employees have a clear understanding of the level of investment that might be required to support a retirement that might be 25 or 30 years. So, you know it's something we continue to talk about in terms of further furthering this financial wellness program in terms of education. I would say that's my major concern. And so, I want to make sure it's not as if the employees have not been presented with the information.

Manufacturing Leader Interview. We have some highly paid employees and then we have across the board [workers]. There are not many things that are like working on production for a lot of our highly paid employees. But if you're a new employee and natural you're not highly paid so we're trying to do is not penalize the highly paid employees from contributing to their plan and encouraging the lower paid employees to start practicing. So that's kind of a long-winded way of saying we need increased participation to eliminate risk.

ERISA Attorney Interview. I mean, there's a lot covered by the prohibited transaction rules and I need to be aware and I need to have my clients aware when I do that I mean for my own plan but certainly for my clients who are in similar positions I need them to understand just how broad the reach of the self-dealing rules are.

Given the varying experience of the senior executive, manufacturing leader, and ERISA attorney the plight of employees in regard to their sophistication and likelihood of successful outcome is palpable. Business leaders appear to understand their role in assisting employees achieve their retirement goals. The business leaders do not offer guidance outside of the expertise, yet each one articulates an understanding of what must be done to assist their participants.

My findings are similar to comparative findings by Swisher (2017), in which employers who embrace the fiduciary business model follow fiduciary principles and processes, do so by more than merely showing compassion about employees-necessitating a process of documentation. An ERISA attorney discussed the significance of documentation.

> What fiduciary responsibilities and the way of risk to what risk requires a lot of it is process, process, process. It's so important that you document what you've done what your reasoning was why you came to that conclusion. I mean it's so important to put this in the decisions you made the person the process that you went through the consultants that you brought in needs to be documented. And that is extremely important.

Adherence to fiduciary responsibility is more than providing a retirement plan to employees. In addition to following the stated rules, fiduciaries must understand the consequence of stated rules on participants. As the ERISA attorney says, understanding the decisions of fiduciaries and the impact on participants is a pivotal fiduciary responsibility. The ability of a fiduciary to back up an action through documentation of reasoning is a mitigation technique the is rare but essential.

Swisher (2017) also noted a shift in fiduciary responsibility from avoidance to transparency; in which employers must prepare for a new and changing paradigm that includes changes to retirement committees, participant communication methods, and the financial professionals through which they interact. A business leader in the manufacturing sector made a specific reference to avoidance.

> We're all about avoidance. In other words, you're avoiding risk and you ask good questions and you project for the future. That's really what our meetings are all about now. We get compliance reports, we get all the testing, we know exactly where we're at. We can see where we've been and see where we're going.

Business leaders exhibited similar behaviors to those outlined in the works Bonestroo, 2017; Guerriero, 2017; and Swisher, 2017. In terms of fiduciary responsibility, the business leaders articulated the depth and breadth of fiduciary responsibility, the difficulty in assessing conflicts of interests from accepted business practices and staying abreast of new insights in fiduciary responsibility to remain in compliance. In terms of personal responsibility, the business leader's awareness was unequivocal in the personal nature of fiduciary responsibility. As depicted in Figure 10, the business leaders possess the ability to articulate personal liability, describe in general terms their fiduciary responsibility, and have access to resources to minimize organizational risks. Resources to minimize organizational risk may be required, like with a fidelity bond, or optional as in the case of fiduciary insurance.

Figure 10. Governance best practices

Leadership

While governance represents the ability to adhere to stated fiduciary responsibilities, leadership addresses how business leaders approach the management of fiduciary responsibility. Similar research carried out by Weiner and Doescher (2008), and Bonestroo (2017) show that employers were likely to use a structural approach, a communication approach, or a blend of the two encapsulating situational decision-making for fiduciary responsibility management. Bonestroo supported the belief that business leaders would benefit from a blend of two approaches ensuring an offering satisfies the needs of those highly engaged as well as those who may not be engaged (2017).

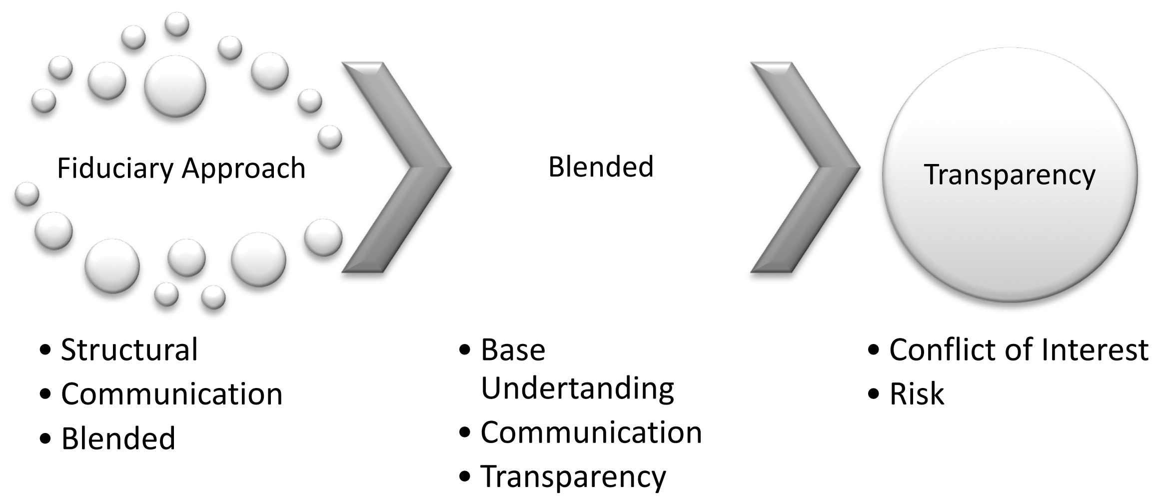
The communications approach emphasizes the individual, the behavior, and how to nudge behavior to optimize retirement savings (Weiner & Doescher, 2008). The communication approach is behavior-oriented; in which the utility of marketing and persuasion approaches were implored to increase participation and may favor those with high engagement (Weiner & Doescher, 2008). Conversely the structural approach alters the conditions associated with retirement savings; for example, the advantages of pre-tax benefits or income contributions limits may act as a lever to increase retirement savings or limit the pre-tax savings of high-income earners. Business leaders in a blended model would use a form decision making, in which aspects may include general understanding requirements, understanding of the concepts well enough to communicate to others, the most appropriate audit trail, and an understanding of common mistakes fiduciaries make. Bonestroo (2017), in similar research, used the themes of awareness, transparency, clarification, and best practices to illustrate a comparable decision-making process.

The efficacy of the structural approach outlined by Weiner and Doescher (2008) was evident in terms of how business leaders communicated organizational risk. References to the structural approach accounted for 16 of the 41 overall references on fiduciary management approach (Codebook p.2). As shown in Figure 11, business leaders infer plan design elements as triggers for increasing retirement savings and participation, with a focus on employee fairness. Coding of structural elements included three forms; matching contributions, outsourcing administrative functions to a third party, and involving an investment consultant to increase savings, participation, or engagement.

Figure 11. Interview 2 themes

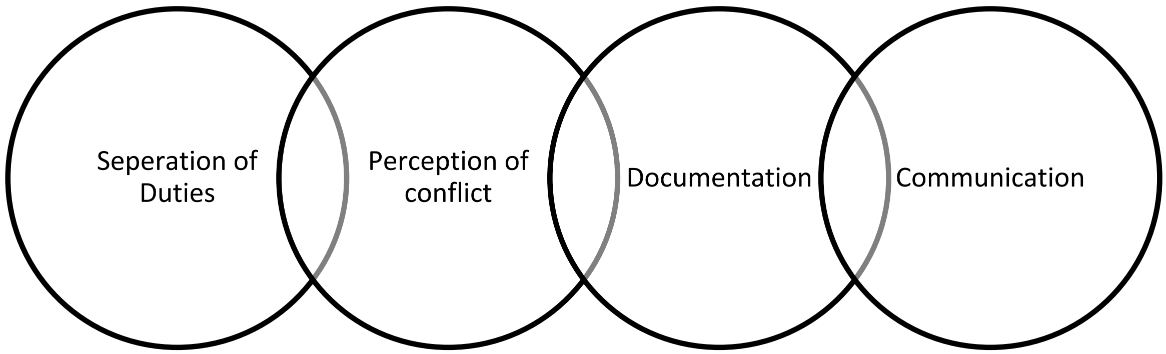
When using a blended approach, my research suggested that business leaders, shown in Figure 12, skew towards possessing a general understanding of fiduciary aspects and feeling comfortable communicating their fiduciary responsibilities. General understanding of fiduciary aspects includes a general sense of; documentation, relationship management, or communication to account for fiduciary management activities. However; the transparency practices, in which leaders communicate their decision-making, show responses in which some business leaders articulate potential self-dealing conflicts. For example, one business leaders stated strategy “I minimize risk through choosing the right options for my employees.” Alternatively, choosing a proprietary fund company “(W)e use vanguard only” or basing the investment selection on non-expert suggestions because “all my friends use them and no complaints or high fees.”

Figure 12. Fiduciary approach



Best practices identified in Figure 13 indicate themes of fiduciary responsibility, and avoiding the perception of self-dealing, and the efficacy of separation of duties as a resource to minimize risk were evident. Whether through inference, experience, guidance, or counsel, business leaders exhibit similar behaviors to those outlined in the works Bonestroo, 2017; Guerriero, 2017; and Swisher, 2017.

Figure 13. Leadership best practices



Stewardship

Business leaders have a stewardship responsibility to understand an employee base well enough to make decisions in a like capacity, characterized in a similar fashion and with similar aims of *the prudent man*. Stewardship describes the passion and discipline to judge wisely and objectively; with a pro-organizational view (Glinkowska & Kaczmarek, 2015). Stewardship, in the lens of fiduciary liability, addresses the plight of business leaders to wisely and objectively make decisions regarding the retirement plan considering a litigious environment. Stewardship reflects both the strategy of business leaders and the communication of the strategy.

Two themes in stewardship were evident based on the findings of this research; one, a communication fiduciary management approach was likely to result in positive employer and employee behaviors. Two, stewardship behaviors embedded within the communications approach were an effective risk mitigation strategy. Transformative leadership styles were likely to result in higher employee engagement, increase savings rates, and lead to higher impact relationships in comparison to transactional leadership styles. My data shows that stewardship behaviors among leaders were used more often to increase savings and participation rate than plan design elements solely.

In interviews, business leaders who used the communication approach to manage fiduciary responsibility exhibit more stewardship behaviors. In analyzing interview data, the communications approach was used least often when compared to a structural approach or a blended approach. However, the stewardship activities within the approach increased engagement, senior leadership participation, education for employees, and communication among stakeholders.

Figure 14. Manufacturing leader

Business leader activities under the communications approach align with the benefits of LMX theory in areas which influence compliance and engagement. In beneficial areas, responses from business leaders' equal areas in which the use of LMX has been advantageous. The themes depicted in Figure 14 of employee fairness, senior leadership involvement, fiduciary responsibility, employee meetings, and utilizing advisory relationships for employee engagement were palpable in interviews.

LMX Theory

The findings of my research have aligned existing literature with the real-life practices of business leaders to determine a transferable best practice. The LMX theory is a prescriptive model of change management to incorporate stewardship, through the communications approach, into the fiduciary management process. Where similar activities have shown positive changes in employee engagement, high impact partnerships, and savings rate while minimizing risk and increasing trust. Given the 2015-2017 changes to fiduciary definitions and liability of breach that has proceeded, a leadership approach inclusive of change management aspects would aid business leaders.

Arif et al. (2017) offered a viewpoint of LMX theory in change management; in which organizational change emphasized the need for people to alter values and perspectives to align with the organizational perspective. Under such a premise, particular emphasis was placed on the roles of leaders and members, and the interactions between members and leaders (Arif et al., 2017). Structural or blended approach leaders may likely use LMX theory to transition to a communications approach, in which incremental stylistic changes between leaders and followers were possible. Among the benefits of LMX approaches studied, easing communication differences and varying perspectives of individual participants is a top advantage in organizations with diverse employee bases. The influence of higher-quality relationships in increasing levels of trust and engagement on leaders who use a structural approach only would ideally represent the desired changed behavior.

My research has identified four several areas of change management to facilitate the process; easing communication differences, collective group insights, the influence of high-quality relationships, and increasing trust.

Easing communication differences. Include staff members with dual responsibility for retirement plan engagement among employees — participation of senior leadership in retirement plan education meetings.

Perspective/insight of collective group. Understanding the income differences among participants to remain in plan compliance while helping educate employee base — for example, a business leader who understands the savings and engagement of new employees versus tenured employees.

Capacity for high-quality relationships. The capacity to articulate the value of an excellent partnership to help engage the participant base. Ensure a synergy among the provider, third party administrator, financial representative, and business leaders to help employees achieve goals.

Ways to increase trust. Ensuring that individuals with expertise are in positions in which they can make meaningful decisions. Allowing the building trust with employees, through education and wellness, to minimize organizational risk.

To increase the probability of change success, understanding the change process as a series of actions, procedures, communications, and regular meetings to understand the roles at play and the interaction between the roles is a precept of the change process. The findings of this study provide a framework in identifying positive-oriented behavior from approaches in fiduciary management. For example, business leaders use of plan design elements as triggers for increasing retirement savings and participation, is a potential transferable practice that is beneficial to business leaders. Structural or blended approach business leaders articulated plan design elements of several forms; matching contributions, outsourcing administrative functions to a third party, involving an investment consultant with the intent to increase savings, participation, or engagement. Alternately, communication approach business leaders use employee engagement, high impact partnerships, increasing trust as triggers for increasing retirement savings and participation.

Cropanzano et al. (2017) acknowledged the success of the LMX theory in studying organizational leadership. Arif et al. (2017) offered a viewpoint of LMX theory in change management; in which organizational change emphasizes the need for people to alter values and perspectives to align with the organizational perspective. The favorable employee responses of better performance and organizational citizenship behaviors allowed for more focus on the significance of the dyadic relationships. Increasing trust of all higher-quality relationships is what makes LMX an ideal framework in which mitigating risk is the desired outcome.

Applications to Professional Practice

Fiduciary breach litigation categorized as self-dealing rose between 2015-2018, what is surprising was that the rise occurred at a time when global trust in employers was 72%. Attorney firm rewards from fiduciary breaches became a form of revenue, as the risk to public image and class action nature of lawsuits increase the likelihood of settlement. My research indicated the plausibility of an environment in which class action suits are possible.

Based on my sample of participants, several aspects of their feedback could be considered red flags. Half of respondents offered somewhat negative feedback on the last interaction with their provider, few were positive, and most business leaders were neutral at best. In discussing the improvements, the responses related to communication, which the information was either complex or the representatives were not aware of specific plan details, occurred frequently.

Communication also represents a problem for business leaders, in an interview of ten business leaders, multiple comments could be perceived as a conflict. Further, business leaders may be unaware of mandated and optional resources to alleviate organizational risk and personal liability, or they were aware and use the resources infrequently. My findings imply business leaders operate in an uncertain environment; given this uncertainty fidelity insurance and documentation of processes should be a standard practice among fiduciaries.

Fiduciary Insurance

The fiduciary responsibilities and breaches of such accountability are hard to quantify and manage. The potential personal liability in combination with ambiguity of common best practices in fiduciary responsibility is an intimidating responsibility. As with other forms of risk, indemnity is valuable. Business leaders and organizations can mitigate some risk through the use of fiduciary insurance or fidelity bond.

Documentation of Processes and Decision-Making

Accumulating the best practices of fiduciary responsibility has been somewhat of a Rorschach test. Fiduciary responsibility is in the eyes of the beholders, the outside consultant or the plans record keeper. Business leaders should have the capacity to articulate why they made certain decisions, why they chose not to make others, and have documented evidence of the process for each form of risk.

Implications for Social Change

The Edelman Trust Barometer is an annual global study of trust among institutions; in the latest iteration of the Study, 2018, 72% of respondents indicated they trust employers while the benchmark of trust in U.S. financial services declined by 23 percent. Litigation of the largest public and private institutions under the precept of failing to ensure the best interests of their participants on face seems contrary to the global perspective of employers. Yet, as of 2019, it was happening and on the rise through the lens fiduciary litigation. Diluting trust in employers to ensure the best interests of those under their care affects individuals, families, communities and foundation of how most consumers earn of living.

My study, related findings, and context provide a pathway for employers to use inherent trust to increase the trust of financial institutions. By limiting the distrust in financial service firms using workplace retirement plans, business leaders could extend the trust of employers to financial services alleviated while protecting the retirement preparedness activities of consumers. In fact, building trust was a common theme in the transcribed interviews denoting without trust in the provider, advisor, or company would be averse to participant trust. The manufacturing business leader captured the essence of the relationship between trust and risk when describing his companies approach towards employee education.

> Are you familiar with the book *Being Trusted*? It's basically trying to repair and rebuild bridges and rebuild trust. I talked about it one time here in our company, we basically have an internal university and what we found was that we did not have a lot of trust issues. Where we did have trust issues we would take the opportunity to rebuild that kind of thing and we thought this is great. Set a precedent in the world. You know this is great. Let's go ahead and build upon that. Let's make sure that we've got our employees trust. And likewise let's be friends with our various traders our associates. And that way we can have the trust with them and so we'll ask them very direct questions. We think that trust and transparency and those kind of things goes a long way.

The discussions reinforce the idea of employers being a source a trust. The business leaders expressed their intentions and fears for their employees while trying to provide the best outcome. Financial Wellness programs, matching contributions, educational resources and an awareness of the plight of employees are small examples of how business leaders I interviewed instill trust in the organization through their efforts outside of the product resources and materials.

Recommendations for Action

As discussed earlier, the benefits of LMX include easing communication differences and varying perspectives of individual participants, insight into the perspective of a collective group, identify the influence of higher quality relationships, and identify ways to increase levels of trust. The correlation of the leader/follower dynamic was like the dynamic of the fiduciary/employee dynamic, further discussions of the *relationship* refers to fiduciary/employee. A correlation exists between the engaged and disengaged employee and the in-group and out-group concepts of LMX theory.

Throughout the data collection and analysis phase similarities to the LMX framework were easy to identify. Business leaders who recognize the differences in their employee bases and adjust their communication were easing communication difference of varying perspectives. Through the lens of business leaders in various industries, commonalities were present allowing for insight into a collective group. In their own words, business leaders describe the changes in communication, engagement, and overall relationship has led to favorable results like higher participation or savings. An alternative approach is the efficacy of the retirement communications approach of Weiner and Doescher (2008), a framework for promoting retirement savings infusing classical approaches and behavioral sciences. Specifically, in the aspect of *Goal Efficacy,* in which examples of effective attainment, shared vicarious experiences and persuasive messaging were used by business owners to minimize organizational risk. However, I felt areas of improvement from my research were needed that are important to add.

Risk Management Alignment

Ensure the risk management strategy of the workplace retirement plan aligns to the risk management program for the organization. Placing risk management functions of all types under one umbrella ensures proper alignment of resources.

Retirement Plan Policy

Similar to an investment policy statement, create a retirement policy statement that describes the due diligence process of selecting a retirement plan provider and how the resources are used. Articulate the goals of the plan from the business leader perspective and how they will influence the participants.

Internal Leader Communication Plan

Ensure the is a plan in place to communicate internally to middle management. Describe the organizational risks and ways to mitigate.

Recommendations for Further Research

As described by Brutus, et al. (2012)-citing the work of Campion (1993)-researchers must acknowledge the realistic limitations and weaknesses of the research present. Acknowledging the additional factors of suboptimal utilization of workplace retirement plans such as financial education, retirement confidence, and risk aversion are prudent. Several factors may cause a participant in a retirement plan to think as if they are ill-equipped to make retirement plan decisions. Further research examining the confidence of participants in their retirement decisions may add context to what constitutes “ill-equipped”.

As Fan (2013) described in a study, faulty language may lead to faulty conclusions which makes it difficult to compare one set results to another normative set. The scope of my study was to explore the assessment of organizational risk associated with workplace retirement plans. I chose the specific niche of defined contribution, 401(k), plans. An expanded scope to include other forms of retirement plans represents an additional opportunity for further research. Exploring the communication of organizational risk for defined benefit, pension, plans or small business IRA’s like a SIMPLE IRA or SEP IRA may be good comparative studies. Last, further research into additional sectors may be advantageous. Retirement plans for non-profit organizations, school systems, and health care organizations are referred to as 403(b) plans. Further research as a comparative study for 403(b) plans and 401(k) plans would represent an opportunity for further research.

Reflections

One of the more challenging aspects of the research study was to create a tangible social impact as a result of the work. Business leaders use products and services provided by financial services firms to assist employees in their savings. As a result, I could not think of a topic that would be worthwhile to study than retirement plan services. However, what I found was both frustrating and hopeful, creating the perfect opportunity for social impact. The frustration lies in the prevalence of information readily available to business leaders and their stakeholders that goes unused. As shown in my literature review; the breadth of fiduciary responsibility and suggestions for avoidance, in addition to the guidance outlined in ERISA, warrants a concise standard for business leaders to follow. Hence the hope. Small and incremental changes towards mitigating a fiduciary breach are possible, available, and ready to be interpreted. My research was a collection of insights and palatable discussions, digestible into conversations that can aid business leaders. The aid is to highlight business leader's ability to protect their organization while providing a secure retirement and opportunities for financial wellness among their employees.

Conclusion

A rise in self-dealing fiduciary breach litigation at a time when global trust in employers was high captured my interest. A research question was chosen to understand how business leaders formulate strategies to minimize organizational risk, as well as, how to communicate such strategies to other stakeholders. This study outlines the perspective of business leaders who act as fiduciaries. Their objectives for workplace retirement plans are multilayered; business leaders hope to mitigate fiduciary liability, leverage internal and external relationships, and engage employees in purposeful retirement planning.

Business leaders possess the ability to articulate personal liability, describe in general terms their fiduciary responsibility, and have access to resources to minimize organizational risks. These leaders were aware of, counseled on, and further communicate internally to stakeholders, the personal nature of fiduciary responsibility and the penalties associated with a breach. Business leaders who act as fiduciaries were aware of their responsibility through previous experience, inference as a business leader, or through a third-party consultant.

Business leaders use separation of duty as a mitigation strategy for fiduciary breach penalties. Fiduciary responsibility may be spread among several in the organization because a fiduciary status encompasses acts that may signify fiduciary acts. Considering the scale of fiduciary responsibility, business leader strategies to minimize organizational risk include investment compliance as a top of mind, followed by plan compliance; however, business leaders were also comfortable allocating fiduciary duties to committees or third parties. In my analysis, the predominant vehicle to segment fiduciary duty was the committee.

Business leaders were consistent in ensuring an audit trail of communicating, based on the documentation referenced themes, and acknowledging the communication of responsibilities. Similar to comparative findings by Swisher (2017), in which employers who embrace the fiduciary business model follow fiduciary principles and processes, do so by more than merely showing compassion about employees-necessitating a process of documentation. The principal setting for communicating the organizational risks of retirement plans which influence fiduciaries and stakeholders occurred at training or meeting for this purpose. Themes of fiduciary responsibility, benchmarking, and the efficacy of committees and resources to minimize risk were evident. Whether through inference, experience, guidance, or counsel, business leaders exhibit similar behaviors to those outlined in the works Bonestroo, 2017; Guerriero, 2017; and Swisher, 2017.

In terms of management of fiduciary responsibility, the efficacy of the structural approach outlined by Weiner and Doescher (2008) was evident in terms of how business leaders communicate organizational risk. When using a blended approach, business leaders skew towards possessing a general understanding of fiduciary aspects and feeling comfortable communicating their fiduciary responsibilities. Two themes in stewardship were evident based on the findings of this research; one, a communication fiduciary management approach was likely to result in positive employer and employee behaviors. Two, stewardship behaviors embedded within the communications approach were an effective risk mitigation strategy. Transformative leadership styles were likely to result in higher employee engagement, increase savings rates, and lead to higher impact relationships in comparison to transactional leadership styles. My data showed that stewardship behaviors among leaders were used more often to increase savings and participation rate than plan design elements solely.

An area of concern for business leaders was risk exposure and to protect fiduciaries from penalties associated with a breach. Products were available to minimize the risk to organizations as well as a personal liability; however, they often neglected. Fidelity Bonds are a requirement and protect the organization against the harmful acts of fiduciaries; however, the product seldom mentioned. Similarly, fiduciary insurance was available as optional coverage to alleviate the personal liability of fiduciaries, often paid for by the firm, however as with fidelity bonds were seldom mentioned.

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Appendix A: Data Collection Matrix

How do you minimize the organizational risk of the workplace retirement plan?	What strategies do you use to minimize the organizational risk of the workplace retirement plan?	What tools and resources minimize the organizational risk of the workplace retirement plan?	advised on the fiduciary liability associated with your
participate in fiduciary training and keep up to speed on all the latest fiduciary case law; also work with consultants to benchmark the fees our plan pays	same answer as question #2	primarily the trainings we attend, and the benchmark analyses we receive. we also subscribe to legal research databases that keep us abreast of all the latest developments and regulatory guidance.	I knew about as an experienced employee benefits attorney. I advise many clients in this area.
I minimize risk through choosing the right options for my employees.	We choose the best options and give employee choices. We act only solely in the interest of the plans participants	We provide online accounts for our participants. The online tool has budget and retirement portfolio	Through regular meetings
We use vanguard only We all use European stock index funds Since 2011 average 5.5 percent gain	Try to diversify with 75 percent mutual funds and 25 percent stock. Less returns with less risk	Try to pick blue chips with vanguard All my friends use them and no complaints or high fees	The trustee made us sign no liability agreement and explained all risks
401k	401k	401k and stocks	Yes

Our plan administrator is Principal Financial, they conduct audits and plan tests. We have an additional Third Party Administrator that chooses funds that will be in our list of investments that are in keeping with our company values.	We drive our 401-k participation real hard to make sure that all earners across the board can enjoy the benefits of the plan and we meet all earnings tests.	We depend heavily upon our plan administrator and our TPA. Our internal financial department is educated in plan compliance.	From day one we were keenly aware of our liability and our CFO has proceeded with caution and good counsel.

How do you minimize the organizational risk of the workplace retirement plan?	What strategies do you use to minimize the organizational risk of the workplace retirement plan?	What tools and resources minimize the organizational risk of the workplace retirement plan?	advised on the fiduciary liability associated with your
We have a separate Investment committee comprised of employees who participate in the plan, advised by an independent 401k advisor not affiliated with the plan administrator. While the head of HR participates on the committee he is not the leader, the leader is chosen by the other employees on the committee. In addition we put our plan out for RFP's on a scheduled basis to insure our rates are competitive.	We have established a separation between the oversight and management of our 401k plan and top management. As President of the company I do not recommend or advise on any of the investment options provided in our plan as an example.	We use an independent 401k advisor to support the investment committee, we have our plan reviewed yearly for compliance with applicable regulations, we submit our plan for rfp's from alternative administrators to insure our rates are competitive.	From our outside legal counsel, outside 401k advisor, and our plan administrator.
Keeping all retirement plans within compliance with my organization.	Constant oversight of all employees retirement benefits being accurate	Quickbooks	My personal advisor
Not sure	Not sure	Not sure	Not sure

internal communication and organized documentation and process series of systems	focused on employee communication and frequency review of goals/accomplishments	internal email, company intranet site, HR briefings on performance and new offerings	He had an outside firm consultant during implementation
I don’t know	Not sure	I don’t know	Email

What steps has your organization taken to minimize fiduciary liability?	risk of retirement plans communicated to managers and directors of the	resources used to mitigate organizational risk of workplace retirement	toward organizational risk of retirement plans that have not been discussed that may be
See questions #2 and 4 above. We also have fiduciary insurance and a fidelity bond.	We conduct in-house trainings every year for the employees who are involved with the management of the plan.	Fiduciary insurance; fiduciary training; and staying up to speed on all the latest regulatory and case law developments by subscribing to services such as Bloomberg and other databases	benchmarking is key
Making sure that our plans are guaranteed and by reducing any errors	By meetings	Making sure participants are covered, making participants feel secure by offering online tools to track plan. Keeping participants information updated regularly	I think the ones that have been discussed are the ones I think are most important
Everybody can move there owns funds on their own. We all assume our liability	Group emails once a quarter We have plan advisor we can contact 24/7	Plan advisor helps a lot We get newsletters from vanguard Quarterly statement showing net gain or loss	Nothing I can think of I tend to not look at every day I am 51 with a lot of time left to send in
401k	Stocks	I don't know	I don't know

Weareinaminority toadda Third Party Administratorfor safety.Wehave neverfailed an audit because of our adherence to the legal parametersin place.	We communicate with the typical handoutsgivenat our yearly retirement plan meetings.Wealso emailplan documentation along with our companyplan summary.	1.Being knowledgeable about plan risk 2. Having good communication with theplan administratorand thirdparty administrator 3. Knowing that the plan is continually scrutinized	In a manufacturing environment like ours, we historically did not meet our tests because of our top earners/contributors. Because of better educations and improved employer matches we have improved greatly.

What steps has your organization taken to minimize fiduciary liability?	risk of retirement plans communicated to managers and directors of the	resources used to mitigate organizational risk of workplace retirement	toward organizational risk of retirement plans that have not been discussed that may be
See above	We communicate how the plan is administered and managed to our employees so they understand the various roles played by different parties.	401k advisor, plan administrator, outside legal counsel	The balance between trying to assist our employees to make well informed investment decisions and not wanting to be perceived as applying undue influence.
More compliance and updated status	Through weekly reports	My financial advisor	None that I can think of.
Not sure	Not sure	Not sure	Not sure
outside oversight. frequency touchpoints on procedures	from senior leadership during monthly internal meetings	email, SharePoint site for management, HR briefings	none I can think of
	Email	Don’t have any	

Appendix B: Invitation Email

Hi

Hope all is well and the day is enjoyable. My name is George Blount, I am a student at Walden University participating in a doctoral study program. Dynata, a market research firm, conducted a recent survey to gauge interest in participating in a study on the *Organizational Risk of Workplace Retirement Plans*, your information was forwarded in response this request. Thank you in advance for the time you are donating to the study.

Below is a link to the consent form and written response interview questions. The study is voluntary and occurs through consent, therefore consent is required prior to participating in the interview. Details are provided in the consent form to address questions you may have.

https://www.surveymonkey.com/r/WRPSTUDYBLOUNT

Thank you and enjoy your day,

George

Appendix C: Letter of Cooperation

Sample Letter of Cooperation

<Date>

ABC Company
400 E. University Way
Someplace, MA 00000-00

To Whom It May Concern:

George M. Blount has requested permission to collect research data from employees and/or has requested permission to receive already existing data for research at ___(Name of Organization).

Participant Activities
Participants who return consent forms, indicating participation in the study, are sent a link for interview questions. On a scheduled date I will open the survey portal to capture participant responses. After ten days the portal is closed for new responses. Research is based on the pursuit of academic scholarship on the topic. As such, training or study insights is offered for reciprocity.

Location
Follow up interviews can be conducted at the "Organization" site or the workspace of the researcher. To ensure privacy during the data collection process a conference room at a shared workspace office located at WeWork c/o George M. Blount, 745 Atlantic Ave, Boston, MA 02111 is used to conduct follow up interviews. Conference rooms in this shared workspace building require a reservation and guests have to register. For participants who prefer an in-person interview, I will conduct interviews in this venue to ensure safety and privacy for participant information.

I have been informed of the purposes of the study and the nature of the research procedures. I have also been given an opportunity to ask questions of the researcher.

As a representative of ______(Name of Organization)_____, I am authorized to grant permission to have the researcher recruit research participants from our organization. * George M. Blount is also permitted to collect research data [/ office hours / at our office(s)].

If you have any questions, please contact me at ____(area code and phone number).

Sincerely,

<Name of Authorized Representative>
<Official Title>