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Contributors' Involvement in Pension Fund Investments Decision Making and Retirees Standard of Living in University of Lagos, Nigeria

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Abstract

Management of the pension scheme in Nigeria had been inundated with several and diverse challenges ranging from corruption and mismanagement of funds for some decades. As a result retirees were not able to access their pension benefits leading to some dying without access to their fund. The government then introduced the contributory pension system in a pension Act of 2004 which was amended in 2014, as a measure to minimize the sufferings of retirees as well as allay the fears of workers. However, the problems of pension are yet to abate and retirees are still groaning under unstable welfare. This study examined contributors' involvement in pension funds investment decision making and retirees' standard of living. The study adopted convergent parallel research design with population being non-academic staff of University of Lagos. The population of the study was 5098 and sample size was set at 100 respondents using Taro Yamane's (1967) formula. Response rate of the validated questionnaire was 91%. Descriptive and inferential statistics (linear regression) were employed in analysis of data. The study found that contributors' decision making on pension fund investment exerted a positive significant effect on retirees standard of living (β=.46, R^2=0.49, t=10.57, p<0.05). The study recommended that contributors should be involved in all decision making processes regarding their pension fund investments to guarantee a high standard of living at retirement.

Keywords: contributors' involvement, decision making, pension fund investment, retirees' standard of living, University of Lagos

1. Introduction

Retirement is withdrawal from work after attaining a particular age or service years. Many people choose to retire when they are eligible for private or public pension benefits, although some are forced to retire due to physical conditions or as a result of government or organizational legislations concerning their positions. Retirement which is an important stage in the work life cycle of every employee has become an increasingly complex process, characterized by the timing and the pathways out of the labour force (Cahill, Giandrea, & Quinn, 2006). It is often followed by low income or reduced opportunity for income-generating activities. It is therefore a critical stage when adequate livelihood is needed because of dwindling resources and opportunities (UNFPA & HAL, 2012). For most Americans, the process of retirement, usually between the ages of 62 to 65 years, involves a gradual retirement by way of reduction in work hours or commitment, often with jobs in another industry (Maestas, 2004). In Nigeria, employees retire compulsorily at the attainment of the ages of 60 and 65 years and recently 70 years for academic professors. Thereafter, many decide to set up personal businesses to augment the pension benefit which may take some time to be accessed.

Welfare for anybody can basically be achieved through proper planning and coordination as welfare of an individual involves his well-being, good health, security and general comfort. Workers in both public and private sector organizations are expected to live a comfortable life devoid of any form of dependency after their successful retirement from active service (Nwachukwu, 2007). However, according to Roth (2010), welfare does not mean the formal government program for helping the needy, though Zigmond (2013) believes there is neglect and bad care behind the official façade, as welfare seems to have drifted from the ethos and norms and this has brought about weary and dispirited voices from employees of different sectors.

Defined contributory (DC) pension scheme is a retirement plan in which the employers and employees make stipulated contributions on a regular basis. Individual accounts are set up for contributors and benefits are based on the amounts credited to these accounts, plus any investment earnings on the money in the account. In this scheme, future benefits fluctuate on the basis of investment earnings, thereby making it impossible for a contributor to estimate the totality of his pension on retirement, particularly, when he was not informed or participated in the management of the investment of his fund. Simply therefore, contributory pension fund is a personal project geared towards the retirement of the contributor. It then behoves on him to ensure his fund is unvested rightly in order to accrue to him much more than he contributed for use during his retirement.

Ugbaja (2013 cited in Okechukwu, Nebo, & Eze, 2016, p. 339) opines that "a well funded pension scheme helps to spread the cost of benefits evenly overtime and eliminate the difficulties of economic misfortune. This is achievable if the pension fund scheme is properly managed." However, in Nigeria, observation has revealed that most employees are ignorant of the investment strategies and performance indicators on their contributions. These indicators include the risk factors on the fund to which the contributors or retirees would bear full responsibility in case of poor investment performance. Furthermore, the contributors' lack of awareness and participation in the investment of their contributions minimize the opportunity to take decisions to change a non-performing investment portfolio or fund administrator despite the fact that many retirees have to wait for one to two years before receiving their pension lump sum after retirement.

Consequently, the above affect the standard of living of helpless retirees with many of them dying even before accessing their fund. Retirement that was usually referred to as a glorious exit from active service is now anticipated with trepidation. According to Amaike (2016, p. 145) "ideally, retirement should be a period of rest after years of meritorious service, which is in tandem with the motto of the Nigerian Union of Pensioners which states, 'rest is sweet after labour.'" Unfortunately, the Nigerian government had not provided the enabling platform for retirees to enjoy their rest after retirement. The study therefore examined the effect of contributors' involvement in pension fund investment decision making on retirees' standard of living in University of Lagos, Nigeria.

2. Literature Review

2.1 Pension

In modern times, pension is generally conceived as the sum of money paid regularly by employers to employees who have retired from their service usually as a result of attaining a fixed age limit in service or due to other reasons like sickness, widowhood or disability (Nyong & Duze, 2011). According to Gbitse (2008), pension represents regular payment to a former employee following the persons retirement from active working life to ensure the well-being of the retiree and that of his/her dependants. Pension benefit may take the form of a lump sum, also known as gratuity or periodic payment made at stipulated periods. To further explain its importance, Ayegba, James and Odoh, (2013), view pension as a way of being responsible for the welfare of the retirees.

As also recognised by several authors, pension therefore is a source of motivation to employees which minimises labour turnover drastically and contribute to ethical behaviour and high productivity (Egbuta, 2001; Fapohunda, 2013; Mohammed, 2013; Ali, 2014). While in agreement that pension promotes a saving culture among current employees, Idowu (2009), takes it further as he opines that pension programmes are usually put in place to serve as protection for the elderly and retirees against old-age risks, poverty and other uncertainties. In a way therefore, pension can be viewed as a way to relieve or reduce aging problems for retirees without much dependence on government or family and at same time give hope to current employees.

Ijeoma and Nwufo, (2015) describe pension as a vital social security scheme for employees in both public and private sectors of the economy. Furthermore, they believe it can create or contribute to a better environment for economic growth and development since it connotes improvement on the welfare and standard of living of the citizens of sovereign nations. This it does by reducing poverty and under development. Following in the same line of reasoning, Adebayo and Dada (2012) explain that pension consists of a lump sum payment to an employee upon his disengagement from active service which provides the employee a level of economic benefit. This is followed with the payment of a monthly stipend to the employee depending on his economic status upon disengagement. To emphasise on its importance, the international labour organisation approves pension either through retirement, old age and survivors' benefit, as one of the solid security attributes (Imhanlahimi & Joseph, 2011).

2.1.1 Contributory Pension System

According to Holzmann (2012), the 1990s saw a global reassessment of the policy approach to pension system.

In Nigeria, before the introduction of the contributory pension scheme, management of workers' pension fund was filled with an uncertainty and in a state of flux. This was because previous schemes were corrupted or not well funded. The management was inefficient both in the public or private sectors as many people were not captured (Odunukwe, 2015).

The Pension Reform Act (2004) encapsulated the policies of the Federal Government of Nigeria to solve the pension challenges in the country. As Ahmed (2005) highlighted, it is contributory and mandatory for all categories of workers both in the public and private sectors. Eme (2014) opines that the amended Pension Reform Act 2014 gives more powers to Pension Commission (PENCOMM) to regulate the PFAs) and PFCs. It also reviewed upward the minimum rate of pension contributions from 15% to 18% of monthly emolument where 8% will be contributed by the employee and 10% by the employer.

Prior to the new pension scheme, Nigeria operated a Pay As You Go defined benefit (DB) scheme burdened with a lot of problem. Ahmad (2008) attributed the non-performance of the define benefit system of pension to under fund; unsustainable outstanding pension liabilities; weak and inefficient pension administration; demographic shifts and aging of the scheme; non-courage of workers in the private sector by any form of compulsory retirement benefit arrangement; and poor regulation of the hitherto scheme. Due to the above deficiencies, there was need for proper and adequate reformation in order to properly cater and provide for retiree benefit. These identified loopholes necessitated the ushering in of the modern Contributory Pension Scheme (CPS).

2.2 Decision-Making on Pension Investments

According to Obi and Agwu (2017), decision making involves a choice from the very many available alternatives that are open to the decision making. To choose the best alternative therefore, would requires not only the identification of the alternatives, but a deliberate assessment of what the different options offer the decision maker and the stakeholders for whom the decision is to be made. In a business organization, the expectation is that the best decision would be that which improves profitability of the organization, widens its market share, gives it competitive advantage over its competitors and adds other values to it. In the case of decision making on pension fund investments, the alternatives to be selected would be those that would ensure greater return on investment to ensure that adequate funds a laid available for the contributors' upon retirement.

Contributory pension plan is a personal project geared towards the retirement of the contributor and with one of its implied objectives been to empower employees have control over their Retirement Savings Account (RSA). It therefore behoves on him to ensure that his fund is invested rightly to accrue to him on his retirement much more than he has contributed. However, the Nigerian pension scheme may be denying the contributor the responsibility of ensuring that his fund investment gives him maximum yield and increase his retirement benefit. This right has been awarded to the PFAs and PFCs who also shroud the investments of the contributors in secrecy, thereby giving the contributor any amount in the name of interest and benefit. This is in line with the claim of Anku-Tsede, Amertowo and Amankwaa (2014) that sometimes, people contribute all their years and only retire with packages below their expectations. According to Adedeji (2013) cited in Anazodo, Ezenwile and Chidolue (2014), the investments of retirees' contributions take time to produce returns and this causes some delay in paying pension and benefits. The effect of these is that contributors' trust is gradually being eroded from the fund managers who have the mandate to invest the pension fund.

2.3 Retirees' Standard of Living

Welfare can be said to be the availability of resources and conditions for reasonably comfortable, healthy and secure living (*Business Dictionary*, 2018). However, welfare system has been undergoing reforms in most developing countries (Idowu & Olanike, 2010) and to buttress importance of reform on welfare, Ikeji, Agbah and Ogaboh (2011) claim that management of schemes that facilitate the well-being of the retired employees have become topical issues for workers globally. According to Roth (2017), this is because life after retirement is a feared period by most Nigerians. In the first place and as observed by Akinsanya, Justina and Yemi (2008), retirement has a secondary influence on retirees' health and that retirement actually enhances the health status of the retirees. In other words, the absence of the stress of going to work regularly amid several societal difficulties can have a positive effect on the health of the retiree if they receive their pension benefits regularly.

However, many pensioners and would-be-retirees are not well informed about the operations of the contributory pension scheme and this low level of awareness has triggered off anxiety and uncertainty about their retirement years (Omoni, 2013). This is collaborated by Akinade (2006) when he argued that the would-be-retirees and pensioners accepted the new policy without really understanding how it works, the benefits, the management or its implications. For example, many contributors are not aware of where their contributions are deposited, who manages it, whether it is tax-free; whether it attracts interest or not.

Perhaps more worrisome is the fact that the life expectancy in sub Saharan Africa is 54.9yrs while retirement age is 60 years (Donkor-Hyiaman & Owusu-Manu, 2014). This is in contrast to developed countries where life expectancy is high. The implication of this is that many people may die before the age of retirement and without accessing their contributory savings. In the opinion of Donkor-Hyiaman & Owusu-Manu (2014) the beneficiaries of pension are not the contributors but their survivors and administrators. Many contributors have had need for money before retirement, particularly with health challenges and do not have enough to get specialised treatment. Some have died without the right treatment or late treatment.

2.4 Theoretical Framework

2.4.1 Decision Making Approach

The study adopted decision making approach as its theoretical construct. The major proponent of the theory is Herbert Simon (1947). Simon (1947) divided the concept into two main parts—one is decision— being arrived at and process of action. The mere making of decision is not enough, as the implementation of the decision made is of vital importance, as such he saw both sections as interconnected and important. According to Simon (1947), a theory of administration should be concerned with the processes of decision as well as the processes of action. How the decision is made and the timing of the decision determines the attainment of the objectives of the organization, as such those charged with the responsibility of making decisions must be cautious of the timing as well as the implementation of the decision.

Decision theory making theory also emphasizes the place of ethical and political norms in the decision making process. It takes care of those normative issues that remain even after the goals have been fixed. According to Hansson (2005) normative issues refer majorly to questions about how to act in situations of uncertainty and when adequate information is not provided. Also included are issues about how individuals coordinate their decisions over time and of how several individuals can coordinate their decisions in social decision procedures.

Simon (1947) proposes the model of administrative man as against the model of economic man who takes the maximizing decisions. According to Simon cited in Marume (2016), the administrative man:

> (a) In choosing between alternatives, tries to satisfy or look for the one which is satisfactorily or good enough; (b) Recognizes that the world he perceives is a drastically simplified model of the real world; (c) Can make his choice without first determining all possible alternatives and without ascertaining that these, in fact, are all the alternatives because he satisfies, rather than maximizes (p. 42).

The decision maker being an administrative man, looks at the alternatives that satisfies the need and not necessarily reviewing all the options available before settling on the most rational option. It is the economic man on the other hand, maximizes, given that in the process of decision making all the alternatives would be reviewed before decisions are made.

According to decision making theory, the different elements such as human beings, economic factors, political phenomena, governmental departments, different institutions, organisations, groups are actively or inactively involved in the social activities. The implication is that for a rational decision to be made, all these factors have to be considered. In the present context, any decision making that is taken outside the purview of the contributor, who is the main stakeholder, would be defective as it had not considered the most important element in the CPS.

According to Narayanan & Fahey (1982) cited in Bozeman (2003) the content of the decision determines who gets to participate and the level of premium paid to their involvement in the decision-making process. In our present context, since the content of the decision is the pension fund investment of the contributors. The PFAs are charged with the responsibility of managing the pension fund investments in the interest of the contributors' and as such, the contributors' participation in the decision making processes is key to the success of the process being the most important stakeholder in the process.

The decision making theory is not a uniquely Public Administration theory. According to Bozeman (2003), it had been widely used by Researchers in business, economics, psychology and other social sciences have applied decision-making in their various research traditions. The theory therefore has multi-disciplinary application and relevance.

2.5 Area of Study

The study was conducted in University of Lagos (UNILAG), Nigeria. One of Nigeria's first generation University. UNILAG is the only federal university in the commercial capital (and former political/administrative capital) of the country. By nature of its location, it is the melting pot of all the many ethnic groups in the country, as such amongst its workforce and staff you are from the different ethnic groups and religions of the country. Its location in Lagos, also gives it the advantage of contributing to the development of the economic development of the country more than other universities in the country.

3. Methodology

The study adopted convergent parallel research design. The population for the study was non-academic staff of University of Lagos (UNILAG) with the total staff strength of 5098 as at October 2018, as reported by a senior official in the Human Resources Department. Taro Yamane (1967) formula was adopted to calculate the sample size. Taro Yamane is presented as follows:

$$n = \frac{N}{1 + Ne^2}$$

Where n is the sample size

N is the population size

e is the sampling error.

This implies that N=5098, e= 0.10 (i.e. 90% confidence level). Therefore the sample size can be computed mathematically below:

$$n = \frac{5098}{1 + 5098\ (0.10^2)}$$

$n =$ 98.08

$n = 100$ (1 significant figure)

Thus, 100 hundred employees of University of Lagos (UNILAG) comprised the respondents for the study. Validated questionnaire was the major instrument for data collection, complemented by interview guide. The response rate was 91%. Descriptive statistics (mean and standard deviation) was employed in analysis of data, while hypothesis was tested using linear regression.

4. Results and Discussion

Table 1. Distribution addressing Contributors' Decision making

Variables	Mean	Std. Deviation
I decided on the PFA to use for my pension fund savings	5.2088	1.23393
My employee influenced my choice of PFA	4.0989	1.63337
I am currently making additional contribution into my Retirement Saving Account (RSA)	4.7143	1.28483
I know the investment institution that currently has my contribution.	5.1978	1.00244
I am not usually consulted by my PFA on investment options for my pension funds	5.2088	1.12068
I have made suggestions to the PFA on how I want my pension funds to be invested	5.2527	.86401
My PFA is always ready to answer my questions on the state of my contribution	5.0659	.97527

Source: Field Survey (2018)

Table 1 shows that most of the respondents agreed that they are actively involved in decision making on their pension funds investments by the PFA with an average mean score $\overline{X}$= 4.9638. Making suggestions to the PFA on how one wants his/her pension fund invested received the highest score of $\overline{X}$= 5.252 followed by respondents independently choosing the PFA to manage their pension funds without undue interference by their employers. Respondents not being consulted by PFAs before certain decisions were made on their pension funds investment attracted a high mean score of $\overline{X}$= 5.208; indicating that with decision made by respondents on PFA, the PFAs sometimes make investment decisions and report at the end of the month to the contributors.

Finding above revealed that most of the respondents had exercised their right of involvement in decision making on the management of pension fund investments by choosing their PFAs. This is line with the first right to decision-making as spelt out in the *Pension Act* 2014, which is that employees choose the PFA to manage their pension contributions. However, a large number of them were influenced by their employers who invited only a few PFAs for the employees to choose from. Technically, this was an infringement upon the rights of the contributors' as the *Pension Act* 2014, grants them exclusive right to choose their PFA without interference from the employers. The management of the universities in separate interviews stated that the selection of a few PFAs for the employees to choose from was to avoid chaotic situation that would have arisen if all twenty-one PFAs had been granted access to the employees each university. The fact that the contributors' followed decision of their employers, is in line with the observation of Chan and Stevens (2008) that employer's influence affects employees' behavior such that they do not pay much attention to knowing or caring about their financial knowledge of their pension.

Majority of the respondents stated that they were making additional contributions into their pension accounts which would place them in very good position in terms of their pension benefits upon retirement. The officials of the PFAs in separate interviews stated that extra contribution into individual RSA while in service will increase monthly pension payment upon retirement. This findings resulted from the PFAs informing the contributors' of the benefits of making additional contributions, which is involving them in the decision making on their pension fund investments. The findings of the study are in agreement with Narayanan & Fahey (1982) cited in Bozeman (2003) on the participation of critical stakeholders in the decision making process.

Most of the respondents indicated that they were not being consulted by the PFAs on the various investment options to which their investments were applied. Decisions on investment options form the critical component of the decision making in the management of the pension fund investments, which as the major elements of the CPS, the contributors should be actively involved in, being the owners of the pension fund investments. The PFAs negate the letters and spirit of the *Pension Act 2014*, by excluding the contributors from the decision making process, which is their right by law. This is not in line with the proposition of the decision making theorists, who propose participation of key elements in the decision making processes. This has the tendency to affect their satisfaction with the entire process if at the end they realize that their benefits at the point of retirement is below their expectation.

The finding that contributors' were not involved in making critical decisions regarding their pension fund investments, means that contributors only rely on whatever decisions the PFAs make on their behalf. This finding agrees with Brown and Weisbenner (2012), that contributors act on their beliefs about the financial benefits provided by pension fund managers, regardless of whether those beliefs are accurate. This however negates the propositions of decision making theorists, who hold that the key stakeholders in the decision making process (in this context, the contributors) should be involved in the decision making process. However, the contributors in the study indicated their belief that their participation in the decision making processes of their pension fund investments would result in their enjoying high standard of living upon retirement with an average mean score of $\overline{\boldsymbol{X}}= 4.47$ upon 6.

Table 2. Contributors' Standard of Living

Variables	**Mean**	**Std. Deviation**
As result of my involvement in decision making on my pension fund investment, I hope to have sufficient funds for accessing health-care services during retirement.	5.1758	.94978
My well-being at retirement is assured as my pension contributions and investments guarantee a good economic condition upon retirement.	4.9890	1.15945
My standard of living on retirement will be high because of decisions made in pension fund management.	4.7143	1.06756
My pension fund investments guarantee social support at retirement.	4.6593	1.18528
I am assured of a secured future because of my contributory pension fund.	4.7912	1.03834
I have hope and expectation for a financially independent retirement life.	5.1538	.98796

Source: Field Survey (2018)

Table 2 shows that respondents have expectation of high standard of living at retirement as a result of their pension fund investments guaranteeing a good economic condition upon their retirement with an average mean score, X= 4.9890. Pension fund investment, when properly managed will ensure that payment of lump sum and programmed withdrawal will be done as at when due to guarantee retirees' access to health-care services during their retirement as well as enjoyment of a high standard of living. This finding corroborates the earlier studies of Amorin and Valentini (2017) on the three predictors of retirees' satisfaction being health, social support and economic condition. In a society where the quality of life reduces at old age because of reduced ability to make wealth, pension fund investments guarantee a high standard of living at retirement becomes a welcome development (Abdulrouf, 2014).

Contributors involvement in decision making on pension funds investment ensuring sufficient funds for accessing health-care services attracted the highest mean score $\overline{X}$ = 5.175. This is followed by expectation of a financially independent life at retirement with a mean score of $\overline{X}$= 5.153. This provides a guarantee that the retirees will be able to enjoy good level of happiness and satisfaction with life, as a result of their being able to meet their health-care needs without depending on their family members. The finding corroborates the earlier studies by Csiksezentmihalyi and Hunter (2014) as well as Adams and Taylor (2015) on the things that guarantee joy and satisfaction upon retirement.

Findings revealed that respondents had the expectation of high standard of living, devoid of any dependence at retirement as a result of their pension fund investments. Based on this expectation, 69% of the respondents agreed that their involvement in their pension fund investment will ensure they have enough fund to access health care. However, some of the retirees interviewed, lamented the insufficiency of their monthly pension and its inability to purchase their needed drugs, like eye drops. This condition may counter the position of 86.2% of the respondents that the lump sum payment is key to the well-being of the retirees, while explaining the fact that some of the retirees get the lump sum and utilize it for projects and businesses that cannot stand the test of time (Registrar, UNILAG, in interview conducted at UNILAG, November 29th, 2018). Officials of PFAs and PENCOMM in separate interviews, stated that the well-being of the retiree will be better enhanced if they do not take the lump sum on retirement but get it as monthly programmed withdrawal, thereby increasing their monthly pension benefits. In the same vein, the 76.2% of respondents do not expect any drop in their standard of living does not agree with the position of the retirees that their standard of living had dropped. However, the PFAs and PENCOMM officials interviewed in this study stated that some retirees did not have much in their RSA before retirement, because of not making additional contributions, unlike most of the present contributors will have in the next ten years. The claim by 62.9% of the respondents that the living standard of their retired colleagues is encouraging may be attributed to the claim of the retirees of the satisfaction with the PFAs on the prompt payment of their monthly pension as well as the ease of getting it from the bank, rather than the endless queues that characterized the defined benefit system. This indication is further demonstrated with the response by 72.6% of the respondents for hope of a secured retirement. In the same vein, Nwachukwu (2007) had opined that the ideal was for retirees to live a comfortable life devoid of any form of dependence.

5. Test of Hypothesis

H_0: Contributors' decision making on pension fund investment has no significant effect on retirees' standard of living.

Table 3. Regression Result for Contributors decision making vs. retirees standard of living

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.485[a]	.235	.233	.65910

a. Predictors: (Constant), Decision making

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	48.548	1	48.548	111.756	.000[b]
	Residual	157.691	363	.434		
	Total	206.239	364			

a. Dependent Variable: retirees standard of living

b. Predictors: (Constant), Decision making

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.276	.198		11.500	.000
	Decision making	.460	.043	.485	10.571	.000

a. Dependent Variable: standard of living

Table 3 presents the results of the regression analysis for contributor's monitoring as predictor of prompt payment. The results show that the correlation coefficient (0.49) indicates a moderate relationship between the predictor (contributor's decision making) and the response variable (standard of living). The *R*-squared statistic as explained by the fitted model implies that about 23.5% of the total variation in measure of standard of living is explained by the variations in contributor's decision making. The regression coefficient, *t* statistic and *p* value for the model shows that contributor's decision making (β =.460, R^2=0.49, t=10.571, p <0.05) exerts a positive and a statistically significant effect on standard of living. Therefore, the null hypothesis was rejected, and hence it can be concluded that contributors' decision making in pension fund investment has a significant effect on retirees' standard of living in University of Lagos, Nigeria.

This indicates that if contributors participate in decision-making on their pension fund investment, they will be able to ensure that their funds are invested the investment options that would higher returns and guarantee their enjoyment of high standard of living upon retirement

6. Conclusion

Contributors' involvement in pension fund investment decision making will ensure adequate returns on funds investment and guarantee enjoyment of high standard of living on retirement. This has the capability of redressing the situation whereby retirees have to depend on their family members for their sustenance as a result of delayed payment of their pensions or insufficient funds to provide a good standard of living in their post retirement life. However, some of the PFAs make decisions on investment portfolios for their contributors and only send them monthly, quarterly and annual reports instead of the contributors deciding on how their funds should be invested.

The study recommended that Pension fund contributors should be actively involved in all decisions on their pension fund investments in order to ensure their enjoyment of high standard of living upon retirement. PFAs should be transparent in the management of pension fund investments, by allowing contributors' to know what alternatives are available before decisions are made. Management of the university should not restrict the staff to specific PFAs.

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