

# Behavioural Factors that Contribute to Employees' Pensions Participations: Organisational Culture Perspective

Ezinne Eluwa  
Yehia Sabri Nawar

Claude Littner Business School  
University of West London, UK

---

## Keywords

Automatic Enrolment, Behavioural Economics, Pensions, organisational culture, University of West London, Case study, Qualitative approach

---

## Abstract

*The research study highlights a number of recommendations that the University of West London should consider reducing the number of employees that opt-out of automatic enrolment, thus improving their pension provision for later life. This research study aims to investigate the various behavioural factors that contribute to UWL employees opting out of automatic enrolment. By using a qualitative research approach, it would allow for an extensive insight into the views of the employees at the university. This research suggests that there are multiple factors that drive employees to opt out of pension schemes. This research conducted an in-depth review of the current literature available on this topic. This study suggests that young people's attitudes, lack of knowledge, affordability, and trust and uncertainty all influence employee's pension decisions. The problem is mainly driven by the lack of knowledge employees have about pensions and how it may affect them, depending on their situation.*

---

## 1. Introduction

The introduction of automatically enrolling employees into a workplace pension was an important development in pension policy in the UK. In October 2012, employees living in the UK were automatically enrolled into their workplace pension when they started a new job, and employees who had chosen to not join, were opted back in (Pension Advisory Service, 2017). Earlier studies into the effects of AE suggest that AE increases the number of employees enrolled into a private pension (Madrian and Shea, 2001). In the report by Madrian and Shea (2001), they found that when a US employer adopted the AE scheme, those participating in the scheme increased from almost 49% of old members to 85% new members. They claimed that their findings indicated that there is a 'power of suggestion'; which is the theory that participation in an occupational pension scheme is suggested by AE. They also emphasise the importance of establishing the main reasons behind Madrian and Shea's power of suggestion, as the reasons behind employee behaviours will provide suitable solutions of how to promote savings incentives (Madrian and Shea, 2001). In a report carried out by Clery et al (2009), they found that approximately 69% of workers are in support of retirement savings. However, 22% of workers stated they do not save for their impending retirement and 30% of workers are more in favour of having a high standard of living now than saving for their retirement (Clery et al, 2009).

Understanding and examining workers attitudes towards pensions is key when understanding the reasons why workers decide to opt out of automatic enrolment. The government recognised that a high percentage of workers were not adequately saving for their retirement, and as a result may not be able to retire comfortably (Pensions Advisory Services, 2017). Following this, the government made the decision to roll out the automatic enrolment scheme in late 2012 to help take the burden off the state pension and encourage workers to start building for their retirement (Pension Advisory Service, 2017).

## 2. Literature Review

The received perception is that a considerable percentage of individuals are not adequately saving for their retirement. The government introduced the Automatic Enrolment scheme in 2012 to help take the pressure off the state and increase people's retirement provisions to ensure they can live comfortably in their retirement. Companies are particularly interested in what drives people's retirement decisions and identifying the factors that contribute to these decisions (Gough and Sozou, 2005).

### **Behavioural Economics**

Behavioural Economics is a widely expanding area in Economics and Finance, and it increases the explanatory power of economics by providing it with more realistic psychological foundations; drawing on sociology, psychology and neuroscience in an attempt to understand individual decision making and to expand on the policies that address the limitations in our decision-making processes (McDonald, 2008 and Lavecchia et al, 2015).

### **Importance of Behavioural Economics in Modern Organisations**

Behavioural economics modifies the normal economic model to consider the psychological properties of preference and judgement, which create limits in rational calculation, willpower and greed (Camerer and Malmendier, 2007). Taking organisations into account, the definition of behavioural economics has broadened to consider how socialisation, networks, and identity mould individual behaviour in organisations. Consequently, behavioural economics of organisations comprises of both a special challenge and opportunity (Camerer and Malmendier, 2007).

The behavioural theory of the organisation was introduced by Herbert Simon who believed that the company is experiencing several constraints, including limitations to the capabilities of employees. A clear vision of the human capacity cannot be restricted exclusively to the theory of organisations, while widely shared consensus on the link between economic organisations and bounded rationality. Bounded rationality encompasses both public and marketing economics: an extended form of behavioural economics; however, this lessens the strength of the theoretical stance of the economics of organisations (Callens and Cherfi, 2012).

### **Importance of Behavioural Economics in the Education Sector**

Education signifies a relatively new path for behavioural economics, a path that has many opportunities. This field is mainly interested in long-term decision making and the tendency of young people to make poor long-term decisions. Since the main brain function, that helps individuals control their impulses and focus on the future, does not wholly mature until the mid-twenties, young adults are more vulnerable to behavioural hindrances that may lead them to missing out on opportunities (Lavecchia et al, 2015). Students' decisions regarding universities are misunderstood. Policy makers face continuous pressure from their international competitors to increase the levels university completion and attendance rates, therefore an understanding of how students make their enrolment and completion decisions plays an important role in understanding the rates. Attending university involves a level of risk, and students are uncertain they will receive a return on their investment. Economists have depended on theories of expected value, human capital, and rational choice to explain the choices of young adults who appraise the complex probabilities, costs and benefits of attending university (Jabbar, 2011).

### **Behavioural Economics Approaches**

#### **Bounded Rationality**

The origins of behavioural economics lay within the realms of bounded rationality. Herbert Simon stated that bounded rationality serves as a different basis for the decision-making model. He viewed the rationality of individuals as limited due to the lack of information available, cognitive limitations of their minds, and the limited amount of time they have to make their decisions. Bounded rationality expresses the idea of the practical impossibility of exercise of perfect rationality. Risk and uncertainty are two ways Simon recognises as limits of rationality, including incomplete information

about alternatives. He emphasises that individuals that want to act rationally should take account the objective and subjective environments (Schilirò, 2013). Another take on bounded rationality is that, due to an individual not having the capability and tools available to reach the ideal solution they instead apply their rationality only after having greatly simplified the choices available. Individuals are faced with uncertain futures and high costs in acquiring information, therefore, these two things impede on individuals making a wholly rational decision (Schilirò, 2013).

### **Nudge Theory**

The concept of 'nudging' is a subtle change in government policy introduced by Richard Thaler to encourage people to make decisions that are in their best self-interest, therefore making it easier for them go make certain decisions; such as saving for a pension (Chu, 2017). As Thaler and Sunstein (2008) point out: "By knowing how people think, we can make it easier for them to choose what is best for them, their families and society". Rather than limiting choice, nudges are used to increase the probability that the more 'sensible' option is made from a 'choice architecture'. Thaler and Sustein used psychological theory and behavioural economics to produce different nudge groups. Each group accounts for bounded rationality and they are expected to justify why people do not always make rational decisions that preserve self-interest (Lunt and Staves, 2011).

### **Employee Pension**

Since the introduction of the Basic State Pension (BSP), the UK pension system has been plagued with multiple changes, which lead to the development of a more complicated pension system. Since the continuing weakened value of the BSP, a growing dependence on means tested benefits and a patchwork of add-ons have pigeonholed the developments of the state system (Department of Work and Pensions, 2013a). Second-tier or supplementary pensions are provided to workers by the government, employers and financial institutions. Workers have two choices: a state pension that offers workers a smaller pension that is wholly indexed to prices after retirement; an occupational pension that offers workers a high pension but poor transfer between schemes, and a personal pension system that offers fully portable pensions, but these are based on uncertain investment returns and are subject to very high set-up and administration charge (Blake, 2000). Poor pension saving and the need to reduce state involvement have become main drivers in relation to pension policy over the last few years, with a focus on individual responsibility (Waine, 2009).

### **Automatic Enrolment**

AE is aimed at workers with low to moderate income as these individuals are thought to face a shortfall in their replacement rate. The UK government uses replacement rates to gauge whether or not individuals have sufficient income in retirement. The replacement rate is income in retirement as a percentage of income in work. The introduction of AE was directed at people who were not accumulating enough savings in a pension scheme, or people who were part of a scheme where their employer was contributing below 3% and the employer contribution was not into a defined-benefit scheme (Department of Work and Pensions, 2013b, 2015a). The trigger for AE is set at the threshold for paying income tax i.e. the earnings trigger for 2012/2013 was £8,105, £9,440 in 2013/2014 and £10,000 for the last 4 years (Pension Regulator, 2018).

If employees decide to opt out of a pension scheme, they would need to do so through an opt-out notice. Depending on the scheme their employer has opted them into, there is a time-limit as to when employees can opt-out and receive a full refund of the contributions they have made. If employees opt-out after the specified time period, their contributions will remain in the pension scheme until their retirement (The Pension Regulator, 2017).

### **Pension Schemes at UWL**

#### **Local Government Pension Scheme**

Local Government Pension Scheme (LGPS) is one of the largest pension schemes in the UK for people working in local government. They comply with the requirements set by the Pensions Act 2008;

to be both an AE scheme and a qualifying scheme, which means it exceeds the government's standards. When employees are paid, the employer and the employee both make contributions into the scheme to provide employees with retirement benefits when they retire. Contributions made are determined by triennial valuation of the fund by the pension fund's appointed actuary i.e. employees who contribute 6.5% of their salary into LGPS, UWL contributions 12.6% on top of this (LGPS, 2018)

LGPS offers employees a wide range of benefits that both full-time and part-time employees can use, however, employees are only entitled to this after they have been in the scheme for three months. Some of these benefits include: 1) early payment of benefits if the employee is made redundant or retired on business efficiency grounds 2) a tiered ill-health retirement package if an employee has to leave work at any age due to permanent ill-health 3) right to voluntarily retire from aged 60, even though the scheme's normal pension age is 65 (LGPS, 2018)

### **Teachers' Pension Scheme**

Teachers' Pension are responsible for administering the Teacher's Pension Scheme (TPS) on behalf of the Department of Education. They help teachers or lecturers by delivering personalised, current and accessible pensions and to support the employers of teachers throughout England and Wales. TPS adhere to the requirements set out by the Pensions Act 2008 to be both an automatic enrolment scheme, and a qualifying scheme. Employees are eligible to enrol into a TPS scheme if: they are not already in a qualifying pension, they earn a monthly salary of £833 or more, and are aged 22 and over or under state pension age (TPS, 2018).

The benefits of enrolling into TPS are: 1) it is a contributory scheme whereby both employees and employers pay into staff pension with employers paying a bigger share 2) pension is based on a member's service and salary not on investments 3) the scheme provides regular income and lump sum upon retirement. If an employee decides to opt-out of TPS, they will be required to opt-out directly through TPS. In order to receive a refund on the amount contributed, employees must opt-out within 3 months of enrolment (TPS, 2018).

### **Relationships between Behaviour and Pensions Young People**

A continuing increase in life expectancy generates challenges, in relation to retirement savings and sustainability. These challenges have been worsened by workers under-saving for retirement. In the UK, approximately 11 million workers will receive lower pensions compared to the levels they are expecting (Department of Work and Pensions, 2013a). Pensions are based on a worker's contribution level during their life course, it is vital to understand the saving habits, attitudes, knowledge and expectations of individuals from a young age (Foster, 2016). According to a report by Clery et al (2009), older people are more in favour of savings, with the proportion of people saving for a rainy day at the lowest among those aged between 18 and 24. Younger people are also more likely to buy things they cannot afford, and therefore would rather keep the proportion of their salary that would have been contributed to their retirement fund. The main attitudes of young people are 'spend now', and therefore less 'save for later'. The Department of Work and Pensions suggested that myopia is one of the significant behavioural factors that increases young people's inability to save for retirement. Myopia is described as spend now focus, with people hesitant to part with their income in order to receive an uncertain reward to meet uncertain future needs (Clery et al, 2009).

### **Affordability**

According to the Department of Work and Pensions (2015), affordability is said to be one of the main reasons for employees opting out of auto-enrolment. In 2013, Aviva stated that 45% of employees do not take up a pension due to lack of income (O'Loughlin, 2013). In the report by Clery et al (2009), 51% of their respondents agreed that they cannot afford to put any money aside for their retirement. They stated that this was the general view amongst those who were considered sick and disabled or on a lower salary. These factors usually co-exist, indicating that people's financial ability

will greatly affect their self-perceived ability to save for their retirement (Clery et al, 2009). Individuals tend to have various demands that compete with each other at different stages in their life, such as housing costs and debts; resulting in pension savings becoming less of a priority (Foster, 2016). There is also evidence that suggests that an individual's ability to save affects pension behaviour, as out of the people who said they cannot afford to save for retirement, 70% are currently not contributing to a private pension scheme (Clery et al, 2009).

Bryan and Lloyd (2014) suggested that when compared to individuals who are contributing into a pension, those who have opted out are more like to have attitudes that are in favour of spending for current financial needs that saving for retirement. They stated that approximately 50% of employee's that are not contributing to a pension say they would prefer to spend than save for the long-term, compared to 42% of employee's contributing, and 45% of opt-outs prefer a good standard of living today than saving for retirement (Bryan and Lloyd, 2014).

### **Lack of Knowledge and Information**

A low number of people are said to have reasonable knowledge of pensions and the age at which they can retire (Clery et al, 2009). Appropriate decision-making regarding pension provisions is usually problematic especially when individuals are uncertain about what they will receive and how much saving will benefit them (Curry, 2004). Knowledge about pensions, or the lack of knowledge can have a significant impact on individual behaviour (Chans and Stevens, 2008). It can be costly for people to become adequately informed about pensions that are available at the workplace, with the benefits of joining a pension only being revealed at retirement. This can therefore lead people to procrastinate and consequently opt-out. However, if individuals have enough information it may change their pension preferences. By providing employees with adequate information about the pension system and the schemes available, it reduces the costs of being informed (Finseraas and Jakobsson, 2014). In a test conducted by Duflo and Saez (2003), they found that employees who were provided with information on pension savings at random were more likely to join a pension scheme, therefore emphasising the relationship between information asymmetry and opt-out rates (Finseraas and Jakobsson, 2014). A lack of widespread financial knowledge often results in financial decisions being made which are therefore inconsistent with individuals' financial needs (Clark and Strauss, 2008). However, even when employees are presented with adequate information, Strauss (2008) has argued that individuals would usually not take advantage of this efficiency (Foster, 2012).

### **Trust and Uncertainty**

The issue surrounding trust has gained increasing momentum over the last few years. People are usually neither completely rational, in terms of making a calculated decision based on them understanding all the facts, nor irrational, simply based of the decisions made with blind faith (Clark et al, 2012). Zinn (2008) devised a strategy that individuals use to manage their uncertainty in which trust sits.

Existing research has suggested that individuals likely to have less confidence in their employers in general than they would in the government or financial companies (Clery et al, 2009). Interestingly, it has been stated that individuals are more likely to have more confidence or trust in their own employer to provide them with pensions than the government (Clery et al, 2009). This suggests that the interpersonal relationship between the employer and employee may enhance the potential to place trust in relation to pension savings (Gunawardena and O'Neill, 2008). However, the perceptions of employers in general may indicate that employers can also be regarded as part of the broader pension framework, about which there appears to remain significant mistrust. For example, current research has highlighted that around 40% of people do not trust the companies that provide workers with savings and investments (Kelly, 2007). On the whole, the relationship of trust between employers and their employees is likely to be a contributing factor when examining the level of success of automatic enrolment (Webb et al, 2014).

## Research Gap

Prabhakar (2017) conducted research into the reasons why individuals decide to opt-out or not of automatic enrolment. From the research carried out by Prabhakar, he found that there are said to be multiple factors that influence people's decisions to opt-out of an occupational pension scheme. The exploratory nature of the author's research meant that qualitative methods was the most appropriate method of collect data.

Focus groups were used in this research. Discussions within the focus groups allowed the author to explore and highlight the mutual themes. Prabhakar used a market research company to recruit his participants, using people who had not taken part in a similar study previously. The author used Greater London as the location to conduct his research as a large number of employers had already implemented automatic enrolment at the time he conducted his research.

Prabhakar's found that firstly, people had poor knowledge of pensions and were uncertain about automatic enrolment. Secondly, the lack of affordability and preferable alternatives is cited as the key reason people opt-out. Thirdly, the author also found that men were more likely than women to prefer to spend their money on attractive alternatives. Prabhakar's findings suggest that there is patchy knowledge of the details of automatic enrolment and proposes an area for further research; into the information or advice that provided with automatic enrolment. Foster conducted two sets of research, researching women's pension planning in the UK (2012), and young people's attitudes to pension planning (2016).

Foster's 2012 study was conducted into young women's attitudes towards pension planning. This study assesses whether knowledge and choice, trust, responsibility, risk and uncertainty influence women's pension decisions. The research method used by Foster to analyse this was qualitative.

Semi-structured interviews were carried by Foster. This allowed his participants to express their own thoughts and opinions on pensions. He conducted interviews with five women in routine and manual work (hairdresser or bar worker), five women in intermediate work (nursing assistant and travel agent) and five women in professional and managerial work (lecturer or special education teacher). From Foster's research, it was discovered that a woman's willingness and ability to contribute to a pension scheme is dependent on the pensions offered by their employers, the pension requirements and immediate financial needs. Therefore, this research suggests that pension policy considers women's employment histories.

Foster (2016) provided extensive research into young people's attitudes towards pension provisions. From the author's research into the number of people paying into a pension, it was discovered that the levels are at the lowest amongst the youngest working cohorts. The author used qualitative research as a method of conducting data, carrying out semi-structured interviews to allow his participants to freely express their own opinions on pensions. Foster's data analysis focuses on identifying common themes, and if any new themes arose, they were explored in subsequent interviews. The author's findings identified a number of factors that help with understanding the challenges young people face when saving for their retirement. These factors include; knowledge and advice, trust, myopia and attitudes towards automatic enrolment. Foster suggested that further options outside automatic enrolment needs to be investigated, including alternative forms of savings that better suit the younger generation.

## 3. Methodology

The objective of interpretivist research is to form new, richer understandings and interpretations of social worlds and contexts. When applied to this research study, the interpretivist approach will look at the organisation being studied (UWL) from the viewpoint of varying groups of individuals. If research only focuses on the experiences that are common, the richness and variances between them and their individual circumstances will be lost, therefore the understanding of the organisation that the research delivers will reflect this. Interpretivist researchers try to offset this complexity by collecting data that is considered meaningful to their research participants. There are

numerous types of interpretivism which place different levels of emphasis on how to do this in practice. This research study will follow the phenomenologists strand, focuses on participants’ lived experience; meaning their recollection and interpretations of their experiences (Saunders et al, 2016). Inductive approach starts with the observations and theories, and then the theories are proposed towards the end of the research process as a result of the researcher’s observations. This type of research involves the search of patterns from observations and the development of theories from these patterns. Theories and hypotheses cannot be applied at the beginning of an inductive study, and the researcher is free to alter the direction of the study after the research process has begun. This strategy utilises fresh data to derive concepts through interpretations made by the researcher. The sampling method used in this research study is non-probability sampling. In non-probability sampling, elements do not have a predetermined chance of being selected as subjects. To ensure there is a richness of information, interview respondents are selected from across the organisation (UWL). Potential respondents were first contacted by management via email, and out of the 12 people contacted, 10 people agreed to take part in the study resulting in a response rate of 83%.

Snowballing sampling technique was also used due to it being challenging to identify members of the desired population. Rather than being selected, potential respondents are volunteered to take part in the research study. Initial contact was made with one respondent, who identified further members, who then identified further members, hence causing the sample to snowball (Saunders et al, 2016). Consequently, this snowballing research method would be applicable to this research study as it appropriate researches individuals who share mutual traits. The research study was aimed at support, academic and managerial staff working at UWL. The reasoning being this was because workers may have varying attitudes towards pension saving, and therefore have different reasons as to why they have decided to opt-out of automatic enrolment. The data collected was analysed using the content-analysis approach. This analytical technique codes and categorises qualitative data to allow the researcher to analyse it quantitatively (Saunders et al, 2016). The research collected was explored to provide an understanding of the phenomenon under investigation.

#### 4. Analysis and Findings

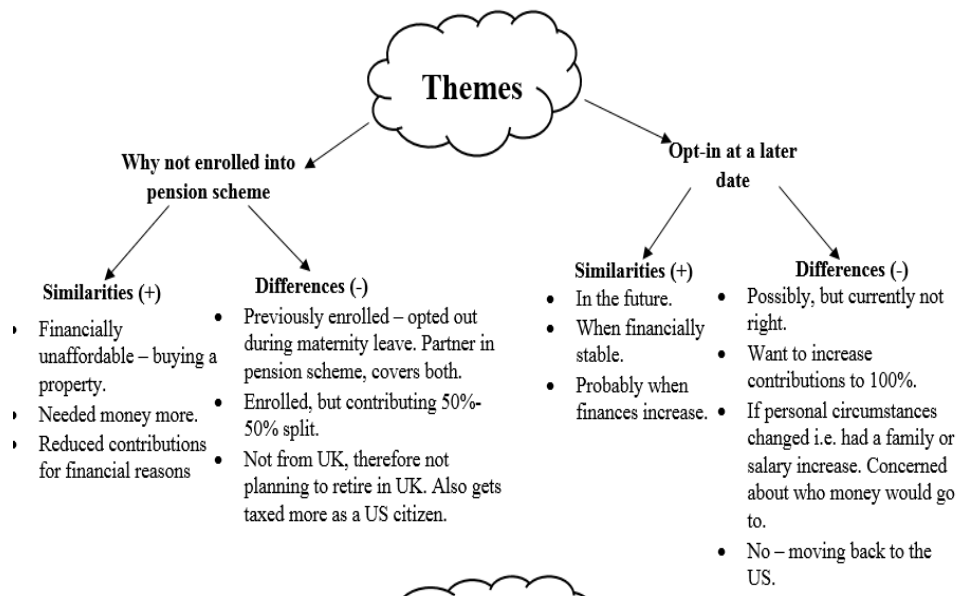
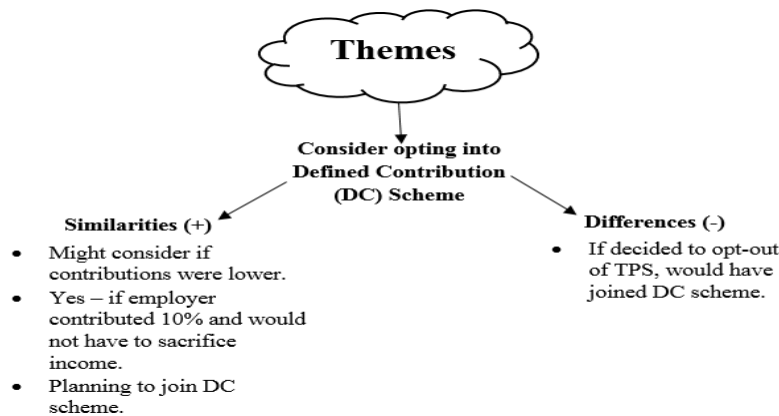
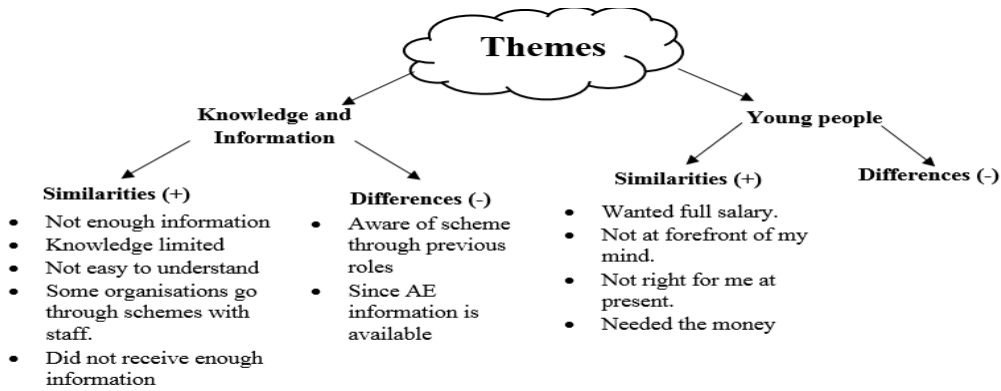
##### Thematic Analysis: Decision Tree

The data analysis procedure used was thematic analysis which is typically used in qualitative research. The essence of this approach is to search for themes within the data that has been collected. Thematic analysis offers a methodical yet adaptable and usable approach to analyse qualitative data, thus allowing for acute descriptions, explanations and formation of theories (Saunders et al 2016).

Interview Questions	Respondent A		Respondent B		Respondent C		Respondent D		Respondent E		Respondent F		Respondent G		Respondent H		Respondent I		Respondent J	
	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N	Y	N
Are you enrolled into a pension scheme?		●		●	●			●	●		●			●	●			●		●
If not, why?																				
Are you planning on opting in at a later date?	●						●										●			●
Were you fully informed of the pension schemes offered before being enrolled?		●		●		●		●					●		●					●

- Respondents that indicated Yes
- Respondents that indicated No

The above is the interview data table. Where the fields have been left blank, the responses from the respondents were ambiguous and therefore are explained in the Comparative Analysis.



From the data collected, it is evident that the contribution rates are high, resulting in higher deductions from employee salaries. Respondent B stated that she contributed between £30 to £40 per month in her previous occupational pension scheme, whereas the contribution rates TPS scheme that respondent B was enrolled in to is significantly higher. Figures 1-4 show the increase in contribution



rates for UWL employees who are opted in to the LGPS and TPS scheme over the last 6 years. Currently, employees who are enrolled into the LGPS scheme with a salary of between £22,000 and £35,700 per annum are contributing 6.5% of their salary into this scheme. Those that are enrolled into the TPS scheme with a salary of between £27,048 and £36,410 per annum contribute 8.6%. The rate continues to increase as employee salary increases, reaching a rate of 12.5% for LGPS and 11.7% for TPS. Although UWL contribute a higher percentage on top of the employee's contribution and employees receive tax benefits, they prioritise their current needs over their retirement benefits. This is supported by Bryan and Lloyd (2014) who stated that 45% of employees are currently not enrolled into an occupational pension scheme and prefer a good standard of living now than save for their retirement. Clery et al (2009) highlighted that there is a clear link between a person's ability to save for retirement and their attitude to savings. The number of employees who stated that they could not afford to be enrolled into a pension scheme is higher among those who prioritise their present financial needs over retirement.

## 5. Discussion and Conclusion

### Summary of Research Findings

Automatic enrolment was a significant development in the UK pension policy and has triggered a widespread interest across Europe. However, there is little known about people's attitudes to pensions and the factors that lead to employee's opting out of AE. Studying employee's opinions is important for understand and establishing these reasons. This research study presents the interviews conducted with UWL employees into the behavioural factors that contributed to them opting out of AE. This study has identified a number of factors associated with opt-outs. These include a lack of knowledge about pensions, a perceived inability to afford current contribution rates, the myopic views of young people and the lack of trust.

A number of conclusions can be obtained from the research findings. A majority of the respondents stated that they received poor information about the pension scheme there were opted into, with two respondents stating that this was one of the reasons why they opted out. This highlights that the lack of information of pensions was important for the power of AE. Employees require adequate information and guidance to make necessary decisions for their future. Literature suggests that when employees are provided with good quality information on the pension schemes, it is more likely that they will join the pension scheme; therefore, highlighting the strength of the relationship between information and opt-out rates.

From the data collected, the findings showed that financial affordability was a prime reason for UWL employees opting out of pension. It was identified that the contribution rates of both the LGPS and TPS was too high for some employees and therefore they could not afford to contribute, which was a major catalyst for employees opting out. The literature discussed stated that the lack of an individual's financial resources can majorly affect their ability to save for their retirement, thus remaining opted into an occupational pension scheme. Literature also suggests that employees do not take up a pension due to the lack of income. When conducting this research, employees readily commented on the high contributions rates being unsustainable which imposed barriers to them contributing to their retirement, especially when they require their finances for alternative matters.

It was also highlighted that there was a level of myopia among younger people. Based on the analysis of the findings, it is apparent that younger people would prefer to spend their money on alternative things and also put off their retirement as they do not consider it to be important at present. Younger people tend to believe that they still have a long time to think about their retirement and believe that pension planning is not necessary until later on in their life.

Two respondents highlighted that they were hesitant about whether they will be able to access their pensions in the future, emphasising that there is a lack of trust and a level of uncertainty. The relationship and the trust that employees have with their employers plays a significant role in whether employees decide to remain opted in a pension or not.

Finally, two respondents stated different reasons that contributed to them opting out of automatic enrolment. One respondent stated that she originally opted out during maternity leave and did not opt back in because her husband is contributing to a pension which covers them both. Also, another respondent stated that she does not contribute to a scheme because she is from the US and is not planning to retire in the UK. Which is a factor that many employees may face as the UK is not their permanent domicile.

The overall attitude towards pension savings was favourable with the majority for the respondents stating that they find pensions important and useful for later in life.

### **Managerial Implications**

This research study has investigated the behavioural factors that contribute to UWL employees opting out of automatic enrolment. If we look back at the research questions presented at the beginning of the study, it is possible to conclude that there is a link between contribution rates, young people, lack of information and trust on opt out numbers.

### **6. Limitations**

This research study has a number of limitations. Firstly, these findings are taken from a small sample size of UWL employees, and therefore cannot be used to produce robust results for the whole population. It would be more reliable if samples were taken from other institutions to act as a comparator and therefore provide more informed findings as it would be representative of a wider population can be generalised.

Additionally, due to the time constraints no more than 10 employees were interviewed. This data collection method gathered a significant amount of data in the allocated time frame and eliminated the need to wait for respondents to respond. A questionnaire would have enabled the researcher to contact more UWL employees and possibly receive more feedback. Therefore, it would have provided a wider sample from across the university, thus eliminating the previous limitation.

### **7. Further Research**

This research study concentrated on the behavioural factors that lead to employees opting out of automatic enrolment in the case of University of West London. To gain a fuller understanding on the how the factors discussed can influence opt out rates, further research can be carried out on different universities in the countries that offer automatic enrolment and use this as a comparator. The findings can also be shared and therefore provide future recommendations to help tackle the pension provision problem in the UK. Another suggestion could be using a larger sample size from UWL and comparing the findings with the findings from another university. This will allow for the results to be generalised more. Finally, further research can be conducted into the individuals who are not planning to remain in the UK on a permanent basis and their approach to retirement savings.

### **References**

- Chan, S and Stevens, A.H. (2008) 'What You Don't Know Can't Help You: Pension Knowledge And Retirement Decision-Making' 2008, *Review Of Economics & Statistics*, 90, 2, pp. 253-266, Business Source Premier, EBSCOhost, viewed 18 April 2018.
- Chu, B., 2017. What is 'nudge theory' and why should we care? Explaining Richard Thaler's Nobel economics prize-winning concept. London: Independent Digital News & Media
- Clark, G. and Strauss, K. (2008), Individual pension-related risk propensities: The effect of socio-demographic characteristics and spousal entitlement on risk attitudes, *Ageing and Society*, 28, 6: 847-74.
- Gunawardena D. and O'Neill D. (2008), Retirement Savings in the UK: State of the Nation's Savings 2008, ABI Research Paper No. 10, 2008, London: Association of British Insurers
- Kelly M. (2007), Trust and Confidence in Pensions and Pension Providers, London: Department for Work and Pensions
- Kotecha, M., Kinsella, R. and Arthur, S. (2010) Research on Predictions of Income in Retirement, Working Paper No. 87, Leeds: Stationery Office, Department of Work and Pensions.
- Lavecchia, A.M et al (2015) 'Behavioral Economics of Education: Progress and Possibilities' Available at: <http://repec.iza.org/dp8853.pdf> [Online] [Accessed 09 April 2018]

- 
- Leonard, T.C., 2008. Richard H. Thaler, Cass R. Sunstein, and Nudge: Improving decisions about health, wealth, and happiness. *Constitutional Political Economy*, 19(4), pp. 356-360.
- Loretto, W., Duncan, C. and White, P. (2001) "'Thatcher's Children' - pensions and retirement: some survey evidence", *Personal Review*, 30, 4, 386-403.
- Lunt, J. and Staves, M., 2011. Nudge, nudge Think, think. *The Safety & Health Practitioner*, 29(11), pp. 41-44.
- MacLeod, P., Fitzpatrick, A., Hamlyn, B., Jones, A., Kinver, A. and Page, L. (2012) *Attitudes to Pensions: The 2012 Survey*, Research Report No. 813, London: DWP
- McDonald, IM 2008, 'Behavioural Economics', *Australian Economic Review*, 41, 2, pp. 222-228, Business Source Premier, EBSCOhost, viewed 7 April 2018
- Nabih, Y, Metwally, AH & Nawar Y.S. (2016). "Emotional Intelligence as a Predictor of Leadership Effectiveness" *The Business and Management Review* 7 (5), 133-142.
- Nawar, Y.S. (2015). "Organizational Commitment: As a Mediator on the Relationships between Leadership Styles and Job Satisfaction in New Emerging Economy". *International Journal of Management and Commerce Innovations*, 2(4) 44.54.
- Nawar. S., Nazarian, A. & Hafez, K. (2015). "The Influence of Strategic Planning and organizational culture on Leadership-Performance Relationship. The Case of Egyptian Private SME'S". *British Academy of Management Conference*. (September 2015, Portsmouth, UK).
- Riad, L., Labib, A& Nawar Y.S. (2016). "Assessing the Impact of Organisational Climate on Employees Commitment" *The Business and Management Review* 7 (5), 357-364
- Rigas, D. & Nawar, Y.S (2016). "Leadership and Innovation Growth: A Strategic Planning and Organizational Culture Perspective". *International Conference on HCI in Business, Government and Organizations* pp. 565-575.
- Samara, R.M. & Nawar, Y.S. (2015). "Assessing the Impact of Strategies Formulation and Implementation on Londoners' Local Communities Satisfaction. "The Case of London Heathrow Airport". *International Journal of Scientific and Technology Research* 3 (4), 16- 28.
-