

Impact of Digitalisation on the Investment Habits of Public Sector Employees and Private Sector Employees with Special Reference to Guwahati, Assam

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Abstract: *Digitalisation is one of the essential processes of technological changes. It is an adaptation of a system, process, etc. to be operated with the use of computers and the internet. It has led to the automation of various manufacturing and manual processes, resulting in improved efficiency in certain industries. The financial industry and how business deals are transacted have undergone significant transformation due to the discovery of digitalization, which has revolutionized the way finance is done. It has become a lot easier to transact financial services at the tip of our fingers. Digitalization has resulted in the advancement of investing money in the country. An investment is an asset that is created with the purpose of boosting the growth of wealth over time and ensuring that future financial needs are met. Digitalisation however is not free from flaws, it still has some disadvantages such as risk of failure, security concerns etc. Nonetheless, digitalisation has turned the world upside down for almost all industries. It has impacted several sectors of the economy. Nearly every social and occupational transaction now occurs through modern information technologies. This paper is an attempt to study the impact of digitalisation on the investment habits amongst the employees of Assam with special reference to Guwahati. It also attempts to conduct a comparative study of the investment habits of public and private sector employees. In addition, it aims to identify crucial factors that influence investment decisions. Furthermore, this paper endeavors to provide suggestions so as to enhance the online investment system.*

Keywords: Digitalisation, Investment, Technologies, Financial, Employees, Assam

1. Introduction

In simple words, digitalization is the use of digital technologies to change a business model and provide new revenue and value-producing opportunities. It is the process of moving to a digital business. In today's competitive landscape, businesses must embrace digitalization to maintain relevance and thrive in a competitive market. It allows businesses to adapt to rapidly changing market conditions, respond to customer expectations, and optimize their processes for greater efficiency and productivity. The process of digitalization involves the use of digitized information to make workflows and processes easier and more efficient by using digital information. Especially in today's tech-driven world, it is crucial to adopt a digital culture in order to survive and succeed. The banking sector has undergone significant changes in its operations due to digitalization, as can be seen. It has led to a wider range of services, as it no longer centers on conventional or offline methods and has made banking transactions simpler and faster. The banking industry is increasingly reliant on technology, and as a result, banks are now providing their clients with a variety of innovative features like online banking, mobile banking, online loan approvals, digital investment, and more. This paper is an attempt to study the impact of digitalization on investment habits among the employees of Assam. It also attempts to conduct a comparative study of the investment habits of public and private sector employees. Additionally, it aims to identify

key factors that influence investment decisions. Further, in this paper, an endeavor is made to provide suggestions.

2. Objectives

The purpose of this study is to determine how employees' investment habits are impacted by digitalization. The following goals are to examine investment trends, comparing personnel in the public and private sectors, identify the primary determinants of investment choices, and offer solutions for improving and simplifying online investing. The following objectives provide a framework for methodically analyzing the important facets of investments and decision-making aspects.

- 1) To study the impact of digitalization on investment among employees.
- 2) To have a comparative study on the investment habits of public and private sector employees.
- 3) To identify the major factors affecting investment decisions.
- 4) To provide suggestions to improve the online investment process.

3. Review of Literature

Few authors, academicians, and research scholars, have conducted studies on the impact of digitalization on the investment habits of employees. A few relevant pieces of literature relating to digitalization and the investment habits

of employees have been discussed as follows:

Karan (2023), in his study, found that digital platforms have made it simpler for individuals as well as institutions to invest in a variety of financial products. He opined that the digitalization of investments has had a positive impact on financial inclusion in India. This is because it has made it possible for a greater number of people to gain access to the financial system and invest their savings in a manner that is both more diverse and more efficient. However, he also highlighted some negative impacts since the personal and financial information of investors may be susceptible to cyber-attacks and data breaches, depending on the nature of the digital platform. He suggested that regulators and industry players should work together to establish robust cybersecurity and data privacy frameworks, and also ensure that investors are adequately informed about the limitations and risks of digital investment platforms. Sebastian S, Thomas A (2019), in their study, aim to analyze the savings and investment patterns of private sector employees in Kottayam district. They found various factors that affect the investment decisions of the employees, ranging from stability of return to profitability. They also highlighted certain issues, such as a lack of awareness about investment, a lack of suitable investment avenues, and the cost of investment faced by the investors during their investment. Also, their findings included that the most preferred avenues are bank deposits and insurance schemes over mutual fund schemes, shares, and debentures. Their study suggested conducting more workshops and seminars to provide maximum information with regard to various investment opportunities. Along with that, they recommended that the Government should take the necessary steps to ensure the quality of service offered to the investors and provide a Legal Framework during problems. Srinivasan M (2015), in his study, aims to examine the investment behavior of employees working in schools, colleges, and government offices serving as government employees or non-government employees in the Vellore District of Tamil Nadu. He found that employees' preferences change depending on the factors they consider while selecting an investment. Also, he found two major problems faced by the employees at the time of maturity / disposal of their investments: high rate of commission and brokerage and lengthy procedural formalities. He suggested various measures so as to improve investment. His suggestions included that companies offering investment avenues must also provide more value-added services to investors. At the same time, he recommended that investors diversify their investments rather than concentrate on one or two that are known to them. Further, he suggested that companies offer investment avenues to simplify the lengthy procedural formalities, particularly during maturity or disposal of the investment, so as to enhance investment. Monika & K. Agarwal (2017), in their paper titled "Factors Affecting the Investor's Choice for Investment Decision Making," identified that the majority of investors are interested in investing in various sectors like post office savings and saving bank deposits because of the safety or lower risk. The study also reveals that most of the investors are interested in life insurance, as it not only saves lives but also helps save taxes. T. Radhakrishna & K. Namboothri (2017) found in their study that investors are yet to be aware of the mutual fund and the way it works and

generates profit. The investor is found to be investing more in the traditional way, i.e., postal savings and investing in gold. In this study, the author focused on the need to increase awareness among investors regarding the various new schemes and advantages that they would get in a short span of time. T. Tirupathi & A. Ignatius (2013) in their study on the preference of salaried employees in the state of Tamil Nadu, identified that the salaried person prefers more to invest in insurance schemes, and it also revealed that the investment is highly affected by the income of the people.

Thus, the review of literature and research activities shows that many studies have been done on investment. However, no study has been done on the impact of digitalization on the investment habits of public sector employees and private sector employees, with special reference to Guwahati, Assam. So, this study will enable us to highlight its impact on the investment decision processes of the employees belonging to different sectors of the economy.

4. Research Methodology

The study is descriptive and qualitative in nature. The study has been focused on the employees (Public sector and Private sector) of Guwahati, Assam. Both primary and secondary data have been used to collect the relevant information. For primary sources, a questionnaire has been circulated among Guwahati employees working in different sectors of the economy. Convenience sampling techniques have been used to collect the data from the employees. Along with primary sources, some secondary sources have also been used, such as journals, magazines, books, websites, etc. The total sample size of the study is 48. The collected data and information have been analyzed on various bases, such as the impact of digitalization on the investment habits of the employees, comparative studies, factors influencing investment decisions, etc. of the respondents. The findings have been presented in the form of charts and graphs.

5. Analysis and Interpretations

A comprehensive evaluation of the collected information is presented in this section. The responses are examined to uncover patterns, trends, and key results that aid in interpreting the study subject. The results' interpretation offers insightful information on the study's objectives.

5.1 Gender of the Respondent

Table 1: Gender

Gender	Number of Respondents	Percentage
Male	14	29.2
Female	34	70.8

Source: field study

As per the collected data, 70.8% of the respondents are female, and 29.2% of the respondents are male. Gender tends to play a very important role in investment decisions since both genders have different views about investment plans.

5.2 Age of the Respondent

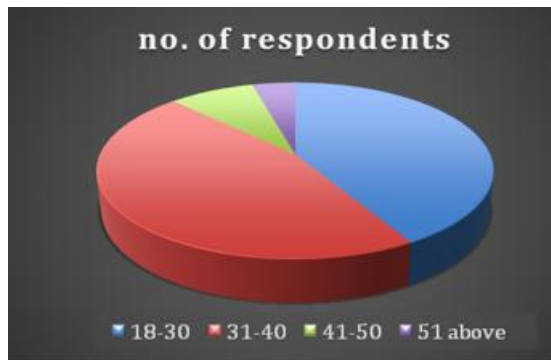


Figure 1: Age
Source: field study

In this study, the age of the respondents is taken in the brackets of 18-30 years, 31-40 years, 41-50 years, and 50 years and above. Among these various age groups, 45.8% of the respondents are from 31-40 years, 41.7% from 18-30 years, 8.3% from 41-50 years, and 4.2 % from 50 years and above. Age is basically the stage of life. With age, maturity is co-related which also has an effect on investment decisions in various sectors.

5.3 Educational Qualification of the Respondent

Table 2: Educational qualification

Educational Qualifications	Number of Respondents	Percentage
Undergraduate	06	12.5%
Postgraduate	42	87.5%

Source: field study

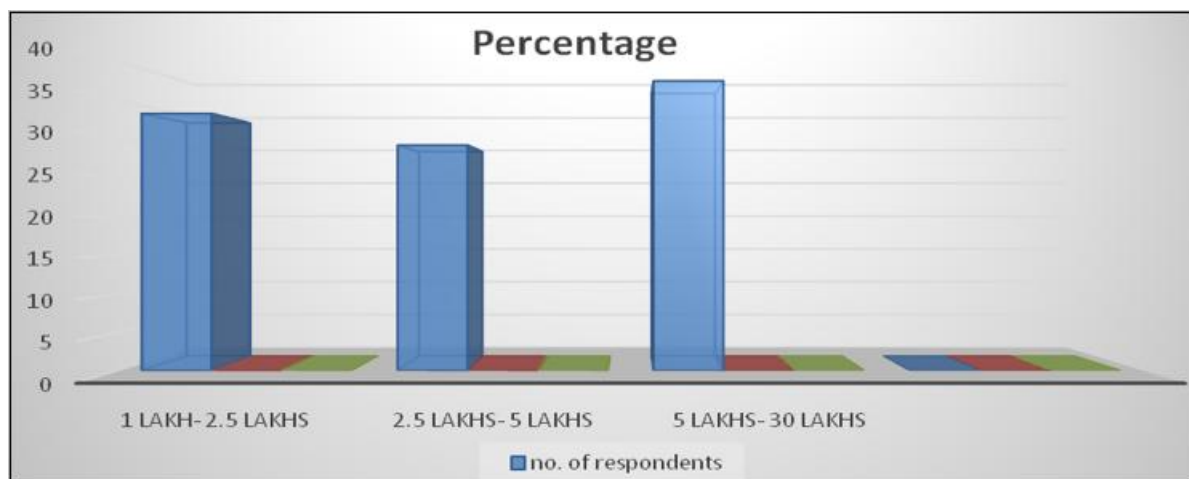


Figure 3: Annual income

Source: field study

Income plays a very important role in the level of investment. It is evident from the previously conducted studies that the higher the income, the more investment, either in physical assets or others, and vice versa. In this study, 37.5% of the respondents have an annual income in the bracket of 5 lakhs to 30 lakhs, 33.33% have an income of 1 lakh - 2.5 lakhs, and 29.2% have an income of 2.5 lakhs to 5 lakhs.

Out of the total respondents, 87.5% are postgraduates and 12.5% are graduates. The higher the education, the greater the level of awareness and knowledge about various areas and investments.

5.4 Marital Status of the Respondent

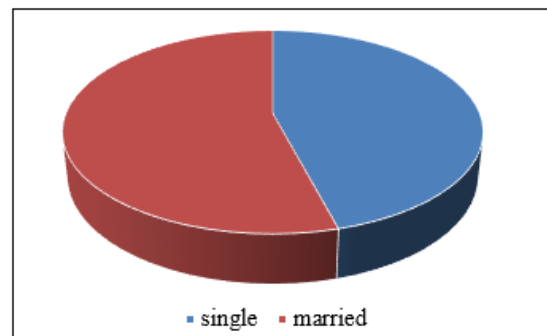


Figure 2: Marital status

Source: field study

The marital status of the respondents plays a very important role. If a respondent is married, then there is always an increase in expenditure, which has an effect on investment, which is totally opposite in the case of a respondent who is single. Out of the total respondents, 54.2% are married and 45.8% are single.

5.5 Annual Income of the Respondent

5.5 Employment Type of the Respondent

Table 3: Employment type

Type	Number of Respondents	Percentage
Public	32	66.7
Private	16	33.3

Source: field study

As per the data collected, the number of public employees is higher than the number of private employees. 66.7% belong to the public sector, while 33.33% belong to the private

sector.

5.6 Relationship between Employment and Investment

Data collected through the study shows that respondents who are publicly employed tend to invest more in comparison to respondents who are privately employed. One of the reasons that the researcher has identified is the presence of the NPS policy among public sector employees. The other reason identified by the researcher is the annual income. As per the data collected, the annual income of public sector employees is higher than that of private sector employees. From this analysis, it becomes obvious that in order to make investments in various sectors, income should be more to meet all end needs.

5.7 Investment After Digitalization

Table 4: Whether respondents have invested more after digitalization or not

Investment	Number of Respondents	Percentage
Yes	25	52.1
No	23	47.9

Source: field study

The above table shows that after digitalization, 52.1% of the respondents have invested more, and 47.9% of the respondents stated that there has been no change in their investment pattern because of digitalization.

However, from the study, it is evident that most of the respondents are more comfortable investing online through different platforms like Groww app, ET Money, Zerodha, etc. Also, the study found that 50% of the respondents invest online, 40% invest in blended mode, and 10% invest in an offline system.

5.8 Investment in Different Areas

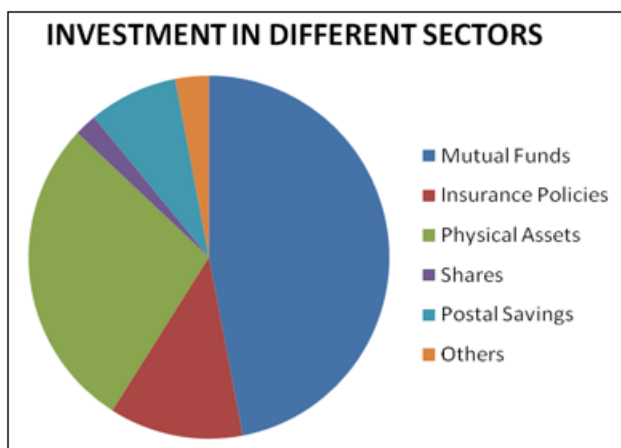


Figure 4: Investment of the respondents

Source: field study

Among the various types of investment plans like mutual funds, insurance schemes, physical assets, shares, and others, it has been seen that respondents are more likely to invest in Mutual funds, followed by investments in physical assets, insurance schemes, and so on. Investment in shares is seen as least preferable, and this might be due to the risk factor involved in it. Though there is always a saying that the

greater the risk, the greater the profit, this is not seen among the respondents.

5.9 Factors Affecting Investment Choice

Table 5: Factors affecting investment choice

Factors	Number of Respondents	Percentage
Risk	08	34.8
Safety	14	60.9
Profitability	16	69.6
Liquidity	04	17.4
Others	02	8.7

Source: field study

The reasons for having a greater inclination towards mutual funds are profitability and safety. Respondents are willing to invest more in areas with less risk. As per the data collected, 69.6% of the respondents consider profitability to be the main factor in investment, followed by safety, risk, liquidity, and others. As mutual funds are more secure than shares, though the return is higher in shares, respondents are willing to invest more in mutual funds, and this is due to the risk factor. Respondents are not willing to take any kind of risk by investing in shares. Though the inclination of the respondents is not even seen towards the investment in physical assets, it can be considered that this is due to the liquidity issue or less profitability than mutual funds.

6. Suggestions

Following are the suggestions offered by the respondents so as to enhance and improve the online investment process:

- An online investing process that is more user-friendly.
- It needs to be simplified so that it's easily accessible to everyone.
- The availability of more tax-advantaged investment options should be increased.
- Online investments should be more liquid, which is why securities with more liquidity should be made available.
- Increased awareness of the online investment process is required.
- People need to be familiar with the investment process. Consequently, the need for intermediaries will be eliminated, and the cost will be reduced.
- It was suggested by some that all investment instruments should be identical.

7. Conclusion

This study has been carried out to find out the impact of digitalization on the investment process. From the above findings, it can be stated that digitalization has brought about change in the investment process and investment decisions taken by investors. Also, it can be stated that public sector employees invest more as compared to private sector employees, especially after digitalization. Further, the study found varying factors that affect the investment decision process. The factors in order of preference are profitability, safety, risk, liquidity, and others. However, there are certain drawbacks, such as lack of awareness, ignorance about the usage of online systems, liquidity, risk factors, and so forth. In order to overcome such drawbacks, some of the

suggestions are to make the online investment process more user friendly, convenient, offer more investment options, etc. Also, one of the suggestions is to create awareness about the online system so that anyone can have access to it. It can be summed up by stating that digitalization has a positive impact and brought about changes in the investment process.

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