



A COMPARATIVE ANALYSIS OF INVESTMENT CHALLENGES AMONG GOVERNMENT EMPLOYEES AND PRIVATE SECTOR EMPLOYEES IN AIZAWL DISTRICT, MIZORAM: AN EXPLORATORY STUDY

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Abstract - Investment behaviour plays an important role in ensuring financial stability among salaried employees in Aizawl District, Mizoram. Differences in job security, income patterns, and financial awareness influence investment decisions between government and private sector employees. This study compares their investment behaviour, challenges, and financial literacy levels.

Primary data were collected from 124 respondents through a structured questionnaire using convenience sampling. Percentage analysis and chi-square tests were used for data analysis. The findings show that 34.7% of respondents belong to the 25–35 age group, and 43.09% fall within the ₹40,001–60,000 income group. Safety of money is the main investment objective, with most respondents preferring bank fixed deposits, followed by insurance and pension schemes. Lack of expert guidance and limited financial knowledge are major challenges. The study emphasizes the need for improved financial literacy programmes and better advisory support to encourage informed and diversified investment decisions.

1.1 INTRODUCTION

Investment behaviour is essential for ensuring financial stability and long-term security among salaried employees. In developing regions, investment decisions are influenced by income level, employment structure, financial literacy, and risk perception. In India, the financial sector has expanded with the growth of mutual funds, insurance, pension schemes, and digital platforms, supported by the Securities and Exchange Board of India and the Reserve Bank of India. However, participation in diversified and market-linked investments remains uneven across regions and occupational groups.

Mizoram, particularly Aizawl District, presents a unique socio-economic environment where government employment constitutes a major share of the workforce, alongside a steadily growing private sector. Differences in employment structure significantly influence financial behaviour and savings patterns within the district.

Government employees typically benefit from stable income, structured increments, and pension schemes, which may encourage conservative and low-risk investment preferences. In contrast, private sector employees often face comparatively variable income patterns and differing levels of job security, which can influence their risk tolerance and investment choices. Traditional avenues such as fixed deposits, insurance policies, and post office savings remain dominant in the district, while participation in equity and mutual funds is gradually increasing but still limited.

Research on investment behaviour has largely focused on metropolitan and economically advanced regions of India, while studies in the North-Eastern region, particularly Mizoram, remain limited. There is also a lack of comparative analysis examining investment challenges and financial decision-making between government and private sector employees in Aizawl District. Therefore, this study aims to compare the investment preferences, challenges, and financial literacy levels of employees in both sectors to provide insights for promoting informed investment practices in the region.

1.2 STATEMENT OF THE PROBLEM

Despite the expansion of India's financial sector and the increasing availability of diverse investment avenues, participation in market-linked and growth-oriented instruments remains limited in semi-urban regions such as Aizawl District, Mizoram. In Aizawl, a significant portion of the workforce is employed in the government sector, while the private sector is gradually expanding. Differences in income stability, job security, retirement benefits, and access to financial information between these two sectors may substantially influence investment behaviour and risk perception. However, evidence suggests that employees in the district largely prefer traditional and low-risk investment options, indicating possible constraints in financial awareness and portfolio diversification.

Although studies on investment behaviour have been conducted in other parts of India, there is a lack of focused empirical research comparing the investment challenges of

government and private sector employees specifically in Aizawl District. Limited financial literacy, inadequate professional guidance, and strong risk aversion appear to restrict informed investment decision-making. Therefore, a systematic comparative analysis is necessary to identify sectoral differences and underlying barriers, and to provide insights for promoting more diversified and informed investment practices in Mizoram.

2. LITERATURE REVIEW

The review of literature examines previous studies related to savings behaviour, investment patterns, and financial decision-making in Aizawl District, Mizoram. It helps in understanding how factors such as income level, job stability, financial literacy, and risk perception influence investment preferences among working individuals. The literature also assists in identifying existing research gaps, particularly in the comparative analysis of government and private sector employees in the region.

Lalrinpuii (2021), in a study on savings and investment patterns among working individuals in Aizawl, found that most respondents preferred traditional and low-risk investment avenues such as bank deposits and insurance policies. The study highlighted that safety of principal and assured returns were the main determinants of investment decisions, while limited financial literacy restricted participation in market-linked instruments.

Similarly, Lalhmingmawia (2020) analysed financial behaviour and savings patterns in Aizawl District and observed that income level and job stability significantly influenced investment choices. The study reported strong risk aversion among respondents and emphasised the importance of financial awareness programmes to improve diversified investment participation in the district.

3. OBJECTIVES OF THE STUDY

The present research paper aims to examine and compare the investment behaviour of government and private sector employees in Aizawl District, Mizoram. The study focuses on understanding sectoral differences in investment preferences, challenges, and financial literacy levels based on primary data collected from respondents. The objectives are framed to analyse both behavioural and structural factors influencing investment decisions among salaried employees. The specific objectives of the study are as follows:

3.1 To analyse the investment behaviour of government and private sector employees in Mizoram

This objective focuses on examining the savings patterns, risk preferences, and investment practices of employees in both sectors. The study analyses how factors such as income level, job stability, and personal financial goals influence their investment decisions and portfolio choices.

3.2 To compare the challenges faced by the two sectors in their investment decisions

This objective aims to identify and compare the key barriers affecting investment decisions among government and private sector employees. It examines issues such as lack of financial knowledge, limited professional guidance, risk aversion, and income constraints to determine sector-wise differences in investment challenges.

3.3 To examine the level of financial literacy among employees in Mizoram

This objective evaluates the awareness and understanding of various financial instruments, market risks, and return expectations among employees. The study seeks to assess whether financial literacy significantly influences investment diversification and informed decision-making in the district.

3.4 To identify the most preferred investment avenues among the two groups

This objective focuses on identifying the dominant investment instruments preferred by government and private sector employees, such as fixed deposits, insurance, pension schemes, mutual funds, and equity investments. The aim is to understand sector-wise differences in investment preferences and the reasons behind such choices.

3.5 RESEARCH METHODOLOGY

This study adopts a quantitative and comparative research approach to examine the investment behaviour and challenges of government and private sector employees in Aizawl District, Mizoram. The methodology is designed to analyse sector-wise differences in investment preferences, financial literacy, and perceived barriers affecting investment decisions.

4.1 Research design

The study adopts a descriptive and comparative research design to analyse the investment behaviour and challenges of government and private sector employees in Aizawl District, Mizoram. The descriptive approach examines investment preferences, savings patterns, and financial literacy, while the comparative design identifies sector-wise differences.

Primary data were collected from 124 respondents using a structured questionnaire and convenience sampling. The questionnaire covered demographic details, income, investment objectives, preferred avenues, challenges, and financial awareness.

Data were analysed using percentage analysis, cross-tabulation, and chi-square tests to examine relationships between variables and sectoral differences. The findings were systematically tabulated and interpreted in line with the study objectives.

4.2 Sources of Data Collection

The study is based on both primary and secondary sources of data to ensure comprehensive analysis of investment behaviour among government and private sector employees in Aizawl District, Mizoram.

Primary Data

Primary data were collected directly from 124 respondents comprising government and private sector employees through a structured questionnaire. The questionnaire included questions related to demographic profile, income level, investment objectives, preferred investment avenues, challenges faced in investment decisions, and level of financial literacy. The data were collected using a convenience sampling method to obtain relevant information from accessible respondents within Aizawl District.

Secondary Data

Secondary data were obtained from published research articles, academic journals, books, and official reports to provide theoretical and conceptual support to the study. Key references include the study by Lalrinpuui (2021) on savings and investment patterns among working individuals in Aizawl published in the IOSR Journal of Business and Management, which highlighted the dominance of low-risk investment preferences in the region. Another important source is Lalhmingmawia (2020), published in the IOSR Journal of Economics and Finance, which analysed financial behaviour and savings patterns in Aizawl District. These studies provided valuable insights into regional investment trends and helped in identifying research gaps for the present comparative study.

4.3 Sampling Technique

The study adopted a non-probability convenience sampling technique for selecting respondents. Convenience sampling was chosen due to time constraints and the accessibility of respondents within Aizawl District, Mizoram. The sample

comprised 124 respondents, including both government and private sector employees.

Respondents were selected based on their availability and willingness to participate in the survey. The technique enabled the researcher to collect primary data efficiently from employees working in various government departments and private organisations within the district. Although convenience sampling may limit generalisation of findings to the entire population, it was considered appropriate for this exploratory and comparative study, given practical constraints and the nature of the research objectives.

4.4 Data Analysis Methods

The study employs quantitative analytical methods suitable for primary data analysis collected from government and private sector employees in Aizawl District, Mizoram.

Descriptive Analysis

Descriptive analysis is used to summarise demographic characteristics such as age, income level, education, and work experience of respondents. Percentage analysis is applied to examine investment preferences, objectives, challenges, and levels of financial literacy. This method helps in presenting a clear overview of savings patterns and dominant investment avenues among employees.

Comparative Analysis

Comparative analysis is used to identify differences between government and private sector employees with respect to investment behaviour, preferred financial instruments, and challenges faced in investment decisions. Cross-tabulation is applied to compare sector-wise variations and highlight structural differences in financial decision-making.

Chi-Square Test of Association

The chi-square test is employed to examine whether there is a significant relationship between employment sector and selected variables such as investment preference, risk perception, and financial literacy level. This statistical method helps in testing the hypotheses and determining whether observed differences between the two sectors are statistically significant.

These analytical methods together provide a systematic framework for examining sectoral differences in investment behaviour and identifying key challenges influencing financial decision-making among employees in Aizawl District.

5. SUMMARY OF FINDINGS

The primary data analysis conducted in this study reveals several important findings regarding the investment behaviour and challenges of government and private sector employees in Aizawl District, Mizoram. The findings are based on responses collected from 124 employees and analysed using percentage analysis and chi-square tests.

Key Finding 1

The study finds that traditional and low-risk investment avenues dominate among respondents. A significant number of employees prefer bank fixed deposits, insurance policies, and pension schemes over market-linked instruments. Safety of principal emerged as the primary investment objective, indicating strong risk aversion among employees in both sectors.

Key Finding 2

There are noticeable sectoral differences in investment behaviour. Government employees, due to stable income and structured retirement benefits, show a stronger preference for secure and long-term investment options. In contrast, private sector employees demonstrate relatively more variation in investment choices, though income uncertainty limits their capacity for high-risk investments.

Key Finding 3

Lack of expert guidance and limited financial knowledge were identified as major challenges affecting investment decisions. More than half of the respondents reported insufficient professional advice as a key barrier, while a considerable proportion cited lack of financial awareness. This highlights the need for improved financial literacy initiatives in the district.

Key Finding 4

The study also reveals moderate satisfaction levels with current investment practices, with a majority of respondents expressing neutral satisfaction. This suggests that while employees are actively investing, many may not be fully confident about their investment outcomes, reflecting cautious financial behavior and limited portfolio diversification.

6.1 A Sectoral Investment Behavior Framework in Aizawl District

Based on the findings, the study proposes a Sectoral Investment Behavior Framework to explain differences in investment decisions between government and private sector employees in Aizawl District, Mizoram. The framework identifies two conditions: the Income Stability Regime and the Income Uncertainty Regime.

The Income Stability Regime, commonly seen among government employees, is marked by predictable income and job security. Employees under this condition prefer safe and

long-term investments such as fixed deposits, insurance, and pension schemes, with limited risk-taking behaviour.

In contrast, the Income Uncertainty Regime, typical of private sector employees, involves variable income and lower job security. Investment decisions are more cautious and liquidity-focused, with limited diversification despite awareness of higher-return options.

The framework concludes that income stability, employment structure, and financial literacy significantly influence investment behaviour in Aizawl District.

6.2 Interpretation of Results

The proposed Sectoral Investment Behaviour Framework shows that investment decisions among employees in Aizawl District are largely shaped by employment structure and income stability. Job security, predictable income, and retirement benefits significantly influence financial choices. Although both government and private sector employees display risk-averse behaviour, the reasons vary across sectors.

Government employees, supported by stable income, generally prefer conservative and long-term investments focused on capital protection. In contrast, private sector employees, facing income uncertainty, adopt more cautious and liquidity-oriented strategies. Despite some awareness of diversified instruments, limited financial literacy and lack of expert guidance restrict broader participation, leading to a continued preference for traditional options such as fixed deposits and insurance. The findings highlight the need for improved financial literacy programmes and advisory support to encourage informed and diversified investment practices among salaried employees in the district.

Table 1: Sectoral Investment Behaviour Framework in Aizawl District

Dimension	Income Stability Regime (Government Employees)	Income Uncertainty Regime (Private Employees)
Income Pattern	Stable and predictable	Variable and less secure
Risk Preference	Low-risk and conservative	Cautious but relatively flexible
Preferred Investments	Fixed deposits, insurance, pension schemes	Mix of traditional and limited market-linked instruments
Investment Objective	Capital protection and long-term security	Liquidity and financial flexibility
Financial Literacy Impact	Moderate influence	Strong influence on participation
Portfolio Diversification	Limited but stable	Limited due to income uncertainty
Overall Investment Behaviour	Structured and security-oriented	Income-sensitive and cautious

7. LIMITATIONS OF THE STUDY

Although this study provides meaningful insights into the investment behaviour and challenges of government and private sector employees in Aizawl District, Mizoram, certain limitations arise due to the scope and methodology adopted.

7.1 Limited Sample Size

The study is based on primary data collected from 124 respondents within Aizawl District. While the sample provides useful insights, it may not fully represent the entire population of government and private sector employees in Mizoram.

7.2 Use of Convenience Sampling

The research adopted a convenience sampling technique due to accessibility and time constraints. As a non-probability sampling method, it may limit the generalisability of the findings to the broader employee population.

7.3 Geographical Limitation

The study is confined to Aizawl District only. Investment behaviour may vary across other districts of Mizoram due to differences in income levels, urbanisation, and access to financial institutions.

7.4 Self-Reported Data

The findings are based on self-reported responses from participants. Personal biases, perception errors, or incomplete understanding of financial instruments may influence the accuracy of responses.

7.5 Limited Scope of Variables

The study focuses mainly on sectoral differences, financial literacy, and investment preferences. Other factors such as psychological behaviour, macroeconomic conditions, and long-term portfolio performance were not examined in depth.

In view of these limitations, the findings should be interpreted with reasonable caution. Future research with larger samples and broader geographical coverage could provide more comprehensive results.

8.1 CONCLUSION

This study compared the investment behaviour, challenges, and financial literacy levels of government and private sector employees in Aizawl District, Mizoram. The findings show that

investment decisions are strongly influenced by income stability, employment structure, and risk perception. Government employees, supported by stable income and retirement benefits, prefer secure and low-risk instruments such as fixed deposits, insurance, and pension schemes. Private sector employees, though relatively flexible, are limited by income uncertainty and job insecurity. Across both sectors, traditional investment avenues continue to dominate, with limited participation in diversified market-linked options.

The study also reveals that lack of expert guidance and limited financial literacy restrict informed investment decisions. Moderate satisfaction levels reflect cautious financial behaviour and low portfolio diversification. Overall, employment structure significantly shapes investment patterns in the district, highlighting the need to strengthen financial awareness and advisory support to promote diversified and sustainable investment practices.

8.2 RECOMENDATIONS

1. Strengthening Financial Literacy Programmes

Government agencies, educational institutions, and financial organisations should conduct structured financial literacy programmes to improve awareness of diversified investment options and risk-return analysis.

2. Improved Access to Professional Financial Advisory Services

Financial institutions should expand advisory services in Aizawl District to provide personalised investment guidance, particularly for private sector employees facing income uncertainty.

3. Promotion of Diversified Investment Culture

Efforts should be made to encourage participation in market-linked instruments such as mutual funds and systematic investment plans (SIPs) through awareness campaigns and simplified investment procedures.

4. Sector-Specific Investment Planning Workshops

Workshops tailored separately for government and private sector employees can address their unique financial needs, risk profiles, and retirement planning requirements.

5. Scope for Future Research

Future studies may include a larger sample size covering multiple districts of Mizoram. Longitudinal research can also examine how investment behaviour evolves over time in response to economic changes and financial literacy interventions.



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