

“A COMPARATIVE STUDY OF DEMOGRAPHIC PROFILE OF EMPLOYEES IN SELECT PUBLIC AND PRIVATE SECTOR ORGANIZATIONS”

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Abstract

Business organizations in the present days need a positive climate for employee performance and organization growth. A good culture would enhance a culture of socialization, an atmosphere of employee participation, commitment and employee-centred organization which would positively increase employee performance and contribute to productivity of the organization. Keeping in view, the present day's competitive markets for various industries, organizations need to consider the importance of various demographics which has a bearing on effectiveness. Organizations need to understand which demographics best meets the organization developmental needs. The present study examined the effect of demographics of employees in public and private sector organizations in India. The study is based on the data collected by survey method by providing the employees with a questionnaire. The reliability of the questionnaire was tested by Cronbach's Alpha. This study is a comparison of the demographic variables in select public and private organizations. The results show that, there were significant differences in the demographic profiles of the employees in the public and private sector organizations. Understanding the demographics would increase the employability, policy-making and Human Resources practices of the organizations, which intern lead to the profitability of the organizations. A restricted sample i.e Bank employees and restricted area i.e select places are the limitations of this study. The specific findings and their implications are discussed in the study.

Key Words: Public sector, Private sector, Demographic profiles, Employment.

Introduction

The work environment of public sector and private sector differ widely because of the differences in management style, management objectives, job designs and organizational structures. Public sector is directed towards serving the society at large and providing employment to the citizens. Public sector is responsible for its policy-making decisions, standardized operational procedures and operates in a bureaucratic style. In contrast, private sector is completely business oriented and works with profit-centred objectives. It operates in competitive, challenging and changing market environment. Private sector has flexible policy decisions and operates in response to the market competition and customer demands in a world of economic fluctuations. Public and private sector organizations differ in the ways of attracting the prospective employees. The demographics of the employees differ in both the sectors. This is because of the brand equity and image of the organizations. Many argue that, the organizations face a quality crisis and the concern is that the knowledgeable individuals will be choosing the private sector and the low capable are entering into the public sector. Normally, we understand that, the compensation system, inadequate recruiting, unchallenging work environment and high bureaucratic style of management functioning are the key issues in public sector organization. This leads to the quality deficit in public sector and thus reduces the competency of the organization. Public sector is seen as meritless, power seeking, self-interested, undesirable and uninteresting when compared to the private sector.

Work diversity can be increased to improve the employee quality in the public sector. The implication is that competency, future strength and vitality of the public sector can be

enhanced. The appraisal system in public sector is a routine process of years of experience and not as an employee development activity, but in private sector the appraisal is for high performers (Edupristine,2016). Public sector is facing a major deficit of Human capital, because of their compensation system, restrictive deployment, appraisal system, skewed age profile of the employees and their skill set (Sidharth Sinha,2012). For this cause most of the employees from public sector leave the organization and join the private sector organization, which shows the difference between the employees in the two organizations.

Employees with higher age groups and married employees try and seek employment with public sector organization in view of better working hours, job security, work-life balance and quality of work life. The private sector works in a highly competitive and challenging environment meeting the customer demands and the market competition.

Research Methodology

The study is undertaken in select public and private sector organizations with cross-sectional data and the target sample were the employees of Banks in select areas and with convenience sampling technique of 320 employees across the two groups. All the demographic data is collected using a socio-demographic data sheet developed for the purpose of the present study. Statistical analysis like Mean score, Mann-Whitney U test and Chi-Square test were used to examine the differences in the demographics of the employees between the two groups, in the study organizations.

Results & Discussion:

The present study aimed at identifying the differences in the demographic profiles of employees of public and private sector banking organizations. To answer this aim, Mann-Whitney U test and Chi-square test of independence were used for continuous and categorical variables respectively. Age was the continuous demographic variable in the study, and it was found to be non-normally distributed with significant Shapiro-Wilk's Statistic (0.872, $P < 0.0001$). As Age was found to be non-normally distributed, non-parametric test Mann-Whitney U test was used to determine the difference. Table 1 and Table 2 show the results of the differences in the demographic profiles of employees of public and private sector banks.

Table 1: Comparison of demographic characteristic Age between the two groups

Variables	Public Sector	Private Sector	Mann- Whitney U
	Mean± S.D.	Mean± S.D.	
Age	38.94±10.96	28.60±5.6	5210.00***

Note: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

The above table shows that, there is a significant difference in the mean Age of employees working in public and private sector banks. Public sector banks have a greater number of

Note: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 2 shows there is no association between the type of organization and **Gender** distribution. Gender distribution is equal in both the public and private sector organizations (Chi-Square=3.66). These are not in line with the findings reported globally (Shi, Kay & Somani, 2019), where representation of women is higher in public sector organizations which is equal or higher compared to men in public sector organizations (OCED, 2019). The employment of women in both the sectors has increased significantly over the decades in India (Directorate General of Employment and Training, 2000), figures from the above table they are still underrepresented at different levels of employment in India. This finding is worth noticing in view of findings and observations that companies with higher percentage of women at managerial positions outperformed the ones where women are underrepresented (Zehra, Sarim, 2017). This indicates encouraging women to be part of working force has the potential to improve the productivity and performance of the organizations. This point is worth considering in policy making, designing and development of organizational processes.

The above table shows that there is a significant association between **Marital status** and the type of the organization, public and private sectors (Chi-Square=46.60***, $p < 0.001$). The number of married employees is higher in public sector organization compared to private sector. This is expected because public sector organizations have larger number of people in the older age group as that of public sector organizations. However, studies have shown that marital status has a bearing on organizational variables such a job performance (Aslam, Hafeez, Shahzad et al, 2020) indicating importance of marital status of the employees in organizational functioning. There is also a popular notion in India, that having a job in public sector is a qualification to become a prospective groom which can explain more number of married employees in public sector organizations, the above table shows that, there is a significant association between **Qualification** of the employees and the type of the organization, public and private sectors (Chi-Square=18.62** $p < 0.01$). The number of employees who are Graduates is higher in public sector organization compared to private sector organization.

With the increase in competition, Public sector organizations are looking for and identifying talented and young Graduates to groom them to have better competitive advantage. It is also seen that more Post-Graduates are in private sector. One observation is that, higher number of professional education employees is seen in the private sector. The reason behind this is that, more private sector organizations are sending their employees to reputed Management schools for training and employees are rewarded for their work (*EduPristine*, 2016). In general, we are aware that, Engineering Graduates and all professionals would like to join in lucrative jobs which pay them a decent pay package and gives a learning environment and enriching culture, intern the employees give value addition to the organization. The above table shows that there is a significant association between **Designation** and the type of the organization, public and private sectors (Chi-Square=19.40***, $p < 0.001$). There are larger number of employees at a lower job designation in public sector organization compared to private sector. It is a known fact that private organizations have faster promotion rate to move up the hierarchy compared to public sector organizations. This is because in private

organizations job enrichment is dependent on employee job performance, while in public sector organizations it is experience based. This is noteworthy in the context of findings that job level of an employee has an effect on their job attitudes and job perception, which in turn has an effect on job performance (Ur Rahiman & Kodikal, 2017; Adams, 1977). In the context of privatization of public sector organizations in India as a result of underperformance, this finding asserts that organization structure needs re-structuring in public sector organizations.

The above table shows that there is a significant association between **Previous work experience** and the type of the organization, public and private sectors (Chi-Square=21.44**, $p<0.01$). The number of previous work experience employees is higher in public sector organization compared to private sector organization. The reason being that individuals get employment in the private sector and then, try to get employment in the public sector organization where they are assured of job security, better work-life balance and regular income, for in private sector organization there is pay for performance and job is at stake for low performers. Work experience increases employability and reduces the risk of not getting into a secured job. Previous work experience enhances the probability of skill match for the future employment (Giampiero Passaretta, Moris Triventi,2015).

As employees grow in age they seem to work in organizations which has stable working hours and better job security which can be seen in public sector organizations, whereas in private sector organizations, we find long hours of work environment and a sense of perceived job insecurity (Ching-Ying and Chiou-Jong,2018), so studies found that at early age individuals may work in private sector organizations, but would slowly try to confirm their employment with a public sector organization for better future.

The above table shows that, there is a significant association between **Current work experience** and the type of the organization, public and private sectors (Chi-Square=64.10***, $p<0.001$). The number of current work experience employees is found high in public sector organization compared to private sector organization. This may be because of the higher age group of employees willing to work in less competitive work environment, better working hours and a sense of greater job security in the public sector, according to the findings of the present study. The observation is that, the number of married employees is higher in public sector organization compared to private sector organization. The reason for this may be that employees find good working conditions and work-life balance with low level of stress and compensation benefits that bring job satisfaction, job security, good quality of work-life and a mechanism to help the disadvantaged employees (Ching-Ying and Chiou-Jong,2018). There are no pre-defined targets and high ease of work in public sector where as in private sector employees work in a highly competitive environment (Deeraj Vaidha,2016). In a generation of individuals grown up in financially turbulent families, in a world of social conscious and an increasingly uncertain economy, employees tend to work in a secured environment found in the public sector organization (Naigara Institute Guide,2020). Studies have found that, prospective employees prefer to seek their career option in public sector organizations which are diverse and dynamic as they provide enriching work experience. This might be the reason for the higher age group

employees and married employees choosing to work in the public sector organization where they find secured to work with contentment.

Summary and Conclusion

There is evidence supporting the premise that there are significant demographical differences seen in the employees of both public and private sector organizations. The results from comparative analysis between demographic profiles of the employees of the public and private sector organizations of the select representative sample of employees suggests that more talented, potential, competent and prospective employees prefer private sector to public sector in order to peruse their career. The public sector is becoming increasingly diverse to attract the able and potential employees than the private sector. Obviously, the results of this study should be considered as the final statements of the differences in the demographics of the employees in the public and private sector. Since the present study is limited to select Banks and select areas and addresses only a general state of the demographics of the employees in the public and private sector organizations and there can be certain areas unanswered. Psychological study, a theory in human behaviour suggests that, elites are motivated by non-monetary rewards such as recognition and esteem (Maslow 1954). If this is the case not all would choose private sector to work for, in the fast changing global competition and challenging work environment with low work-life balance. The myriad of rationales of the demographics of the employees choosing the public and private sector service were not directly studied, but only the outcomes of the choice is evaluated.

The present study has found that, more elderly and aged employees are seen in public sector, which might be the reason for the underperformance low competence of the public sector when compared to the private sector, which can be a economic burden on the nation. In view of this a better policy and organization structure is required. The study shows that there is equal representation of male and female employees in both the sectors. In India, women employment has significantly increased over the years and studies reveal those organizations which employed women at managerial positions outperformed the otherwise organizations. This implies that encouraging women to be the part the work force would increase the profitability of the organization. The study observes that, there are more married employees in the public sector organization compared to the private sector organization. This might the reason why we see more number of older age group employees in the public sector. We also know that age and marital status as a bearing on the employee performance.

The employees with professional and post-graduate education are seen in private sector where the work is more challenging and highly paid. Public sector is hiring more of conventional education graduates and grooming them to be the best in the industry. This may due to the cultural changes in both the sectors. Employees with higher designations are seen in more number in the private sector organization when compared to employees in the public sector organization where more number of lower level employees is seen. From earlier studies, we find that designation of an employee has an effect on employee job attitudes and job perception, which in turn has an effect on employee job performance and productivity of the organization (Adams, 1977). In India, in the view of privatization of the public sector organizations due to underperformance, this finding grows importance and implies that public

sector organizations in India need a definite organizational re-structuring. Because of the standardized appraisal and compensation system, we see more number of employees joining the private sector organization where there is pay for performance and high performers are rewarded with job enrichment at the early years of their employment, but as the employees grow in age they would slowly try to confirm their employment with a public sector organization. This might be the reason that we find more number of married employees in the public sector organization compared to the private sector organization.

Hence, we observe more previous experience employees in the public sector. In a world of an increasingly uncertain economy, social conscious and financially turbulent families, employees tend to work in a secured environment for which employees prefer to seek their career option in public sector organizations and try to continue to work in the public sector organization. For this, the observation is that the number of married employees and employees with higher age group are found high in the public sector organization compared to public sector organization with more current work experience. When we see employee attitude as an indicator of positive element towards public sector organization, there is evidence that good working conditions, job security, low level of stress and work-life balance are found to be the important factors for retaining in the public sector organization.

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