



AN EMPIRICAL ANALYSIS OF PENSION PLAN KNOWLEDGE IN THE PRIVATE SECTOR

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ABSTRACT

Retirement plans and group health insurance policies are two sides of the same coin. Outside of government-provided benefit programmers, pensions and group insurance provide a method for firms to provide benefits to employees as part of a comprehensive pay package. The research's primary goal was to ascertain whether or not investments in pension/group insurance plans would be viable options. Two hundred and eighty-four legitimate replies were obtained and correctly analyzed using statistical software after a well-structured questionnaire was produced and delivered to 300 working adults in Salem and Erode. Researchers uncovered that workers do not know nearly enough about the advantages of pension plans to make the most of the options accessible to them in the insurance market. In order to encourage more working people to enroll in pension plans and have a safe retirement, the report recommends that insurance firms launch an awareness comparing in the State.

Key words: Pension Plans, Group Insurance, Awareness Programmers, Security and Financial

INTRODUCTION

Retirement income in the form of regular payments is provided through a pension, which is a fund into which money is contributed by an employee during their time at work. A pension may be either a "defined benefit plan," in which the retiree receives a certain amount of money each month, or a "defined contribution plan," in which the retiree invests a set amount of money that becomes accessible when the retiree reaches a certain age. In contrast to severance pay, which is normally provided as a flat sum following forced termination of work before to retirement, pensions are typically paid in regular amounts for life after retirement.

It is common practice to use the phrases "retirement plan" and "superannuation" interchangeably to refer to a pension paid out to a person upon their retirement. Employers, insurance firms, the government, and even organisations like employer groups and labor unions may all have a role in establishing retirement savings programmers for their employees. Programs for saving for retirement are called pension schemes in the United Kingdom and Ireland and superannuation plans in Australia and New Zealand. Most pensions in retirement are paid out as a guaranteed life annuity to protect the recipient from the financial consequences of outliving their financial resources.

An occupational or employer pension is a pension plan that has been established by an employer for the benefit of an employee. Pensions may also be funded by the government, labor unions, or private companies. The tax benefits of occupational pensions for both employees and employers are well-established. Insurance is a common component of pension plans, since payments to beneficiaries in the event of death or disability are common. It's possible that other mechanisms may provide an equivalent flow of funds.

The phrase "pension" is often used to refer to the income one gets after retirement, typically under the conditions of a contract or law. A pensioner or retiree is a person who receives a retirement pension. The private

sector, sometimes called the citizen sector, refers to the non-governmental, business-driven segment of the economy.

Individuals in the private sector, such as company owners, companies, and non-governmental organisations, employ the majority of the working population. Employment opportunities include the private sector, whether in manufacturing, finance, the professions, the hotel industry, or elsewhere. Employees are compensated from the company's earnings. Public sector employees have less job security, fewer benefits, and lower compensation and less prospects for advancement than private sector employees. More hours and more stress are common in the private sector than in government.

Workers are hired by federal, state, and municipal governments to fill positions in the public sector. Healthcare, education, emergency care, the military forces, and regulatory and administrative positions are common examples of typical civil service careers. The salaries of government employees are funded by tax revenue. Upon completion of their probationary periods, many government posts become permanent appointments, providing the employees with more job security and better benefits than the private sector. It's not hard to switch departments or agencies in the public sector and keep the same benefits, vacation days, and sick pay, but it is challenging to get a raise or a promotion. When compared to the private sector, working for a government agency offers a more stable work environment that is free of market pressures.

LITERATURE REVIEW

Isa Bertram, et.al (2022) Can we get a sense of the public's opinion of those who work in the public sector? People who work in the public sector often get a bad reputation. However, it is not apparent how widespread these unfavourable views are across various demographics. We examine whether lower socioeconomic position is associated with more unfavorable preconceptions about public sector employees, using a large representative survey in the Netherlands. Contrary to common belief, preconceptions have no correlation with one's level of education or money. There is a correlation between happiness and financial success, but only in the eyes of the beholder. More unfavourable assumptions are made about people's motives and character when their subjective income is poor. Not only that, but it matters much what industry individuals are employed in. Central and local government employees tend to be seen favorably in the popular imagination. A lot of people in the private and nonprofit sectors have a very dim view of those in the public sector. The results provide light on how the general population views those employed by the state, as well as the issues faced by different demographics in relation to the government.

Wan-Yu YEH, et.al (2018) Organizations in the public and private sectors operate in very different markets and have different goals for their operations. Even within the private sector, major and small enterprises typically have quite different organisational structures and employee policies. Despite these clear structural inequalities, however, there has been little systematic investigation of sectoral variations in workers' psychosocial risks and burnout state at the national level. Thirteen thousand and five hundred full-time workers were analyzed based on results from a nationwide employee survey conducted in 2013. The associations of sector types with self-reported burnout status (measured by the Chinese version of the Copenhagen Burnout Inventory) were analyzed, taking into account other work characteristics and job instability indicators. Sector types were categorized as "public," "private enterprise-large (LE)," and "private enterprise-small and medium (SME);" based on the definition of SMEs by Taiwan Ministry of Economic Affairs. Employees in the private sector report working longer hours and experiencing more job instability than their public sector colleagues. When firm size was broken down into subcategories, it was revealed that employees working for small and medium-sized enterprises (SMEs) were the most dissatisfied with their job control and career prospects. Policy implications for aiding workers in the private sector who are at a disadvantage are discussed, and the research concludes that there is a pattern of disparities between the public and private sectors in terms of working conditions and stress-related disorders.

Mrs. Sharmila singh (2022) The key to survival and growth in today's competitive marketplace is a committed customer base. Companies that place a premium on customer retention often find it difficult to provide the same level of service to their own employees. The factors that motivate them include working conditions, health and safety regulations, economic progress, and similar factors. The productivity and profitability of any bank are directly proportional to the quality of its workforce. Higher levels of work satisfaction and effective human resource management in banks have a direct impact on the growth and productivity of the economy as a whole. Effective human resource management and determining whether or not bank workers are happy are crucial to

the industry's success. The only way to get dedicated labour and a good public image out of them is to ensure their satisfaction. This Research is descriptive research that makes use of both primary and secondary sources. Operational level employees at SBI and ICICI were the focus of a study employing a sampling approach (80 organizational level staff, 40 from each bank). Researchers in Varanasi want to learn how content workers are in a cross-section of commercial and public sector banks via this research.

Dale s. Macklin, et.al (2019) The widespread belief that stress is more prevalent in the public sector is supported by data showing that more people in the public sector file claims for compensation related to stress at work and by media coverage that portrays stress in the public sector as an epidemic. However, findings from the scientific literature are fairly conflicting. We observed no significant difference in stress levels between public (N = 84) and private (N = 143) sector workers using a community-based sample from a geographically diverse population (psychological distress, job satisfaction). We observed no differences in risk levels by sector using the Demand-Control-Support (DCS) model to operationalize psychosocial risk and the job stress process. However, public sector employees reported greater levels of control. We discovered strong evidence in favour of a DC interaction effect for psychological discomfort. There was also evidence for a sector-specific DCS impact (4-way interaction), suggesting that social support functions differently depending on the field. A DCS major effects model was discovered for work satisfaction in both industries. The data also demonstrated considerable disparities in stress levels across gender and occupational categories. This research casts doubt on the widely held belief that stress at work is a problem experienced exclusively by those employed in the public sector.

Inayat, wasaf. et.al (2021). The current study set out to investigate how contentment on the job influences productivity in private sector businesses in Peshawar, Pakistan. One hundred and eighty workers (N = 180) were chosen as a sample from private organisations in Peshawar for this purpose. There were three different kinds of businesses included in the sample: hospitals, banks, and universities. Each had an equal number of workers chosen (n = 60). Weiss et al. (1967)'s Minnesota Satisfaction Questionnaire (MSQ-short version) and a custom-made Performance Evaluation Form (PRF) served as the study's primary data collection tools. In order to establish the validity of the scales, first calculations were made to determine the reliability statistics of both instruments. The results of the research indicate that there is a link between the nature of one's work and their level of contentment in that role. Employee performance and happiness on the work both showed favorable correlations. The research found that content workers performed better than their unsatisfied counterparts and had a more substantial impact in the success of their respective companies. With Peshawar's economy and government in a constant state of flux, businesses must find ways to keep their staffs inspired and committed to achieving their full potential in order to thrive in the city's current environment.

RESEARCH METHODOLOGY

This study combines a descriptive approach with an empirical one for its research methodology. Descriptive research aims to provide a detailed account of the current condition of circumstances. Description in style because information was gathered by doing a literature review and analyzing the demographic profile of the respondents living in the region under consideration. The use of statistical methods for analyzing the collected data lends credibility to the claim that the research is empirical. Research validity, frequency analysis, cross tabulation, and hypothesis testing using t-test and analysis of variance have all been used to the data. The goal of this strategy is to depict the extent to which a worker is familiar with the many pension and group insurance options offered by insurance firms on the market today.

The Intended Audience

The population of this research would be drawn from specific factories in the Salem and Erode districts of Tamil Nadu. As the workers of private sector enterprises in these two regions constitute the primary demographic of interest in this investigation, they have been selected as the focus of this research. Low levels of knowledge on future plans, poor levels of savings for future life, low living standards, an unstructured saving pattern, and a general lack of prosperity are all factors in favour of these two districts.

Sample Size

Sampling is the process of picking a subset of a population to learn more about that population as a whole. The number of objects to be drawn from the whole in order to make up a sample is known as the sample size. A total

of 300 clients, evenly split between the Salem and Erode districts, will serve as the study's sample. For this study, researchers chose their samples at their own leisure, and they scheduled their visits around the schedules of those who agreed to participate. As a result, 284 questionnaires were returned, with 16 being thrown out due to incomplete responses. This study was performed based on the responses of 284 individuals.

Primary information obtained via in-person interviews using a well crafted questionnaire. From April through June of 2017, the questionnaire was developed, disseminated, and data were collected from respondents. The questionnaire is a series of forms with questions written on them in a certain sequence.

Tools for the Study: PERCENTAGE ANALYSIS, T-TEST, ANOVA

DATA ANALYSIS

Data from a structured questionnaire completed by 284 residents of Salem and Erode was imported into SPSS software and examined further. In this discussion, we will go through the findings of the data analysis and our thoughts on what they mean.

Table 1 Demographic details of customers

Demographic variable		Area					
		Salem		Erode		Total	
		Count	Row N %	Count	Row N %	Count	Row N
Gender	Male	111	59.4%	76	40.6%	187	100.0%
	Female	29	29.9%	68	70.1%	97	100.0%
Age	Upto 25 years	9	64.3%	5	35.7%	14	100.0%
	25-35 years	39	48.1%	42	51.9%	81	100.0%
	36-45 years	67	49.6%	68	50.4%	135	100.0%
	45-55 years	19	48.7%	20	51.3%	39	100.0%
	Above 55 years	6	40.0%	9	60.0%	15	100.0%
Qualification	Upto HSc	4	44.4%	5	55.6%	9	100.0%
	UG Degree	44	50.0%	44	50.0%	88	100.0%
	PG Degree	65	51.6%	61	48.4%	126	100.0%
	Professional	27	44.3%	34	55.7%	61	100.0%
MS	Married	112	49.1%	116	50.9%	228	100.0%
	Unmarried	28	50.0%	28	50.0%	56	100.0%
F_Status	Joint	51	48.1%	55	51.9%	106	100.0%
	Nuclear	89	50.0%	89	50.0%	178	100.0%
F_Income	upto 20,000	2	15.4%	11	84.6%	13	100.0%
	20,000 to 30,000	14	73.7%	5	26.3%	19	100.0%
	30,000 to 40,000	27	93.1%	2	6.9%	29	100.0%
	40,000 to 50,000	15	88.2%	2	11.8%	17	100.0%
	Above 50,000	82	39.8%	124	60.2%	206	100.0%

As can be seen in the table above, more women than men in the Erode area filled out the survey; the age distribution is about the same in both Salem and Erode; the majority of respondents are married; more families in Salem and Erode have only one or two parents; and the majority of families in both areas have only nuclear families. This demonstrates that there is more room to negotiate the terms of their participation in pension and group insurance programmers.

Level of Awareness – An Analysis

PENSION PLAN KNOWLEDGE

Respondents were given six statements about different pension plans and asked to score their familiarity with each on a 5-point liker scale, with 1 indicating little familiarity and 5 indicating an extensive knowledge. Below, we rank these assertions in terms of the average amount of knowledge held by staff members, and provide a table with the resulting data.

Table 2: Level of Awareness on Type of Pension plans

Statement	N	Min.	Max.	Mean	S.D.	Rank
Many private players apart from LIC sells pension products	284	1	5	2.746	1.439	1
Immediate pension plans are available in the market	284	1	5	2.535	1.464	2
The availability of unit-linked pension plans	284	1	5	2.426	1.446	3
Availability of government social security schemes	284	1	5	2.380	1.388	4
Availability of deferred pension plan	284	1	5	2.338	1.456	5
The availability of individual and group pension plans	284	1	5	2.306	1.384	6

Based on the fact that the means of virtually all statements are below the neutral level of 3, it is clear that workers might benefit from further education about the different pension plans that are out there. Employees are only somewhat informed on the plethora of pension options, and they know much less about the "Availability of individual and group pension plans" (2.306). Deferred pension plan availability (2.338) and government social security programmed availability (2.339) follow this statement (2.380). Because of this, it's crucial to educate private sector workers on the need of retirement savings programmers via awareness campaigns.

PENSION PLAN AWARENESS AND ITS ADVANTAGES

Respondents were given seven statements on the advantages of pension plans and asked to score their familiarity with each one on a 5-point liker scale, with 1 indicating little familiarity and 5 indicating complete familiarity. Table 2 ranks the average degree to which workers agree with each of these claims.

Table 3: Level of Awareness on the benefits of Pension plans

Statement	N	Min.	Max.	Mean	S.D.	Rank
Availability of the modes of pension- mly,qly,hly,yly	284	1	5	3.208	1.514	1
Details of maturity of policy	284	1	5	2.975	1.479	2
Change of nomination	284	1	5	2.856	1.583	3
Tax benefits available in choosing pension plan	284	1	5	2.845	1.519	4
Lapse of policy	284	1	5	2.743	1.663	5
Grace Period of payment of premium	284	1	5	2.701	1.599	6
Surrender of policy before maturity	284	1	5	2.662	1.590	7

Given that the means of virtually all statements are well the neutral level of 3, and that only the statement "Availability of the modes of pension" has a mean value slightly over 3, it is clear that workers have a poor degree of knowledge on the many advantages of pension plans (3.208). Surrender of insurance before maturity has the lowest degree of employee knowledge (2.662), followed by grace period of payment of premium (2.701). That's why it's so important for pension and insurance firms to educate private sector workers about the benefits of saving for retirement in advance via pension plans.

MEASURE OF PEOPLE'S INTEREST IN PENSIONS

Ten statements were given to the respondents, each of which was accompanied with a 5-point liker scale on which they were asked to assess their degree of interest in investing in pension plans, with 1 being the least interest and 5 representing the most. The average workers' familiarity with these claims is shown in Table 3 below, ordered by position.

Table 4: Level of Interest on Pension plans

Statement	N	Min.	Max.	Mean	S.D.	Rank
I am ready to open pension policies if someone approaches me	284	1	5	4.011	1.190	1
I may be approached to brief about pension policies	284	1	5	3.812	1.190	2
I don't know how to open pension policies	284	1	5	3.789	1.173	3
I don't know the availability of pension policies	284	1	5	3.768	1.448	4
I want to have pension policies for secured future life	284	1	5	3.720	1.028	5
I will never default paying pension premium in spite of all commitments	284	1	5	3.651	1.039	6
I don't know to whom and where I should contact to open pension policies	284	1	5	3.645	1.258	7
Pension policies are the best choice for my secured after-retirement life	284	1	5	3.595	1.245	8
I will never withdraw any amount from my pension plans before maturity	284	1	5	3.458	1.098	9
I can recommend to my friends also to open pension policies	284	1	5	3.407	1.140	10

The employees have shown a healthy amount of enthusiasm for pension plans, as shown in the above table. The statement "I am ready to open pension policies if someone approaches" has the highest mean (4.011), followed by "I may be approached to brief about pension plans" (3.812), "I do not know how to open pension policies" (3.789), "I do not know the availability of pension plans" (3.768), and "I want to have pension policies for secured retirement" (3.768). This demonstrates that there is a tremendous deal of room for improvement in insurance firms' success at encouraging workers to engage in pension plans via education and outreach.

AWARENESS OF PENSION PLANS AS AFFECTED BY DEMOGRAPHIC FACTORS

Table 4 displays the findings of an analysis into whether or not the demographic variable of gender has any effect on the overall mean of knowledge about the three elements of Type of plans, Benefits of plans, and Interest on pension plans.

Table 5 Impact of Gender on Awareness

Gender	Benefits	Types	Interest
Male	2.716	2.192	3.263
Female	3.125	2.900	3.009
F	5.739	21.980	13.747
Sig.	0.017	0.000	0.000

Benefits of pension plans, types of pension plans, and interest on pension plans all had significantly different levels of knowledge among male and female respondents ($p < .05$). It's also worth noting that female workers have demonstrated a higher degree of agreement on Benefits and Types than male workers, while male workers have shown a greater interest in pension plans.

Table 6 Impact of Age on Awareness

Age	Benefits	Types	Interest
Upto 25 years	2.235	2.031	3.321
25-35 years	2.545	2.176	3.184
36-45 years	3.025	2.600	3.142
45-55 years	3.143	2.667	3.175
Above 55 years	2.838	2.095	3.319
F	2.748	2.480	.607
Sig.	0.029	0.044	0.658

A statistically significant difference ($p < .05$) exists between the ages of workers who are aware of the benefits

and types of pension plans, but there is no difference ($p > .05$) between the ages of employees who are interested in pension plans. both male and female respondents ($p .05$). Employees between the ages of 45 and 55 have showed the most interest in learning about the various pension plans available to them.

Table 7 Impact of Qualification on Awareness

Qualification	Benefits	Types	Interest
Upto HSc	3.651	2.857	3.100
UG Degree	2.573	2.013	3.187
PG Degree	2.976	2.519	3.190
Professional	2.897	2.801	3.144
F	2.621	5.902	0.157
Sig.	0.051	0.001	0.925

Employees in various qualification groups show significantly varied levels of knowledge with regard to the factor Types of pension plans ($p .05$), but no significant differences can be seen with respect to the variables Benefits and Interest on plans ($p > .05$). People who have a Bachelor's or Master's degree in the sciences have a better understanding of the advantages of pension plans than those without such training.

Table 8 Impact of Marital status on Awareness

Marital status	Benefits	Types	Interest
Married	2.879	2.457	3.121
Unmarried	2.763	2.334	3.402
F	0.317	0.418	11.746
Sig.	0.574	0.519	0.001

There is a statistically significant difference ($p .05$) in the pension plan knowledge of married and single workers when it comes to interest, but there is no difference ($p > .05$) when it comes to knowledge of benefits and different types of pension plans. There has been a greater influx of contributions from single workers into pension schemes.

Table 9 Impact of Family Income on Awareness

Family Income (Rs.)	Benefits	Types	Interest
upto 20,000	3.077	2.615	3.262
20,000 to 30,000	3.045	2.391	3.226
30,000 to 40,000	1.823	1.739	3.236
40,000 to 50,000	2.521	2.294	3.211
Above 50,000	2.997	2.535	3.155
F	5.363	2.771	0.280
Sig.	0.000	0.028	0.891

It is clear that there is a statistically significant difference ($p .05$) in the awareness of employees with different income levels with respect to the factors Benefits and Type of plans, but that there is no statistically significant difference ($p > .05$) in the awareness of employees with respect to the factor Interest on pension plans. Workers whose monthly household income is less than Rs.20000 have a higher degree of knowledge than their colleagues.

Table 10 Impact of Type of Family on Awareness

Type of family	Benefits	Types	Interest
Joint	2.864	2.605	3.180
Nuclear	2.851	2.331	3.174
F	0.006	3.204	0.007
Sig.	0.938	0.075	0.932

Employees' knowledge of the factors Benefits, Types of Plans, and Interest in Pension Plans does not vary

significantly ($p > .05$). This indicates that the living arrangements of workers' families have no impact on their degree of consciousness.

CONCLUSION

An employee's pension is the accumulation of funds over the course of their working life that will be used to provide financial security after they have left the workforce. It was determined, based on the 284 valid responses received, that while employees have some interest in learning about pension plans and investing in pension plans when made aware of and properly approached, they do not have the desired level of awareness on the various types of pension plans and the benefits of pension plans. Therefore, the research suggests that pension and insurance businesses throughout the state need to implement extensive awareness programmers to educate the public about pension schemes, capitalize on the sizeable retirement-savings market, and guarantee everyone a comfortable retirement.

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