

# COMPENSATION OF GOVERNMENT TEACHERS AND THEIR CONSUMPTION PATTERN: A STUDY WITH SPECIAL REFERENCE TO KNOWLEDGE ECONOMY IN SAINTHAMARUTHU DIVISIONAL SECRETARIAT AREA

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**ABSTRACT:** Income is crucial factor in determining consumption of people. Teaching profession is one of the knowledge based professions and through this teachers receive particular amount of money as wage. It plays major role on their consumption. The main objective of this study is to identify the consumption pattern of government teachers with their limited monthly compensation and specific objective of this study is to assess the consumption pattern and their relationship to socio-economic well-being. Qualitative data analysis has been used in this study. Stratified Simple Random sampling technique has been used to select sample. Data were collected with the use of structured questionnaire, observation and interview. Secondary data were also collected from divisional secretariat office in Sainthamaruthu. This study was used descriptive analysis to achieve objectives of this study. Through data analysis, the results show that teachers' demand highly on food consumption, education, cloth, transport, medical expenditure and least on entertainment needs. Further, their consumption pattern varies according to their role in the family. Teachers are being in a moderate socio-economic well-being at the same time monthly compensation is still not good enough for education needs, saving and other needs. Hence, this study concludes that teachers spend a larger share of their limited monthly compensation on food, than on education and medical needs and smaller on other needs.

**Keywords:** Monthly Compensation, Knowledge Economy, Utilization with their Compensation

## INTRODUCTION

Compensation means the money received by an employee from an employer as a salary or wages. Compensation is typically based on years of experience and educational level (ICP blog, 2015). Compensation means the payment and other expenses for services rendered to employees. According to the regulations compensation is made up of salary, bonus, allowances and subsidies, employee benefits, health insurance, endowment insurance, unemployment insurance, injury insurance, birth insurance, housing accumulation fund, employee education fund.

Teachers' compensation is more than salary. It is a valuable total package that includes salary, extra pay, benefits and pension combined. They are the single largest expenditure in any school organization. It has large monetary value (<http://www.ed.gov/oii-news/teacher-compensation>). Teachers are performing satisfactory teaching services they receive a particular amount of money as wages (<http://www.det.Wa.edu.au/careers/detcms/navigation/teacher>). Salary often refers that agreed-upon and regular compensation for employment that may be paid in any frequency

but, in common practice, is paid on monthly and not on hourly, daily, weekly or piece work basis ([http://www.business dictionary.com](http://www.businessdictionary.com)).

Wage is being given to every employee who involve in a specific task. Teachers are also one of the employee categories in the education sector. Therefore, teachers are rewarded according to their services. In such away, compensation for teachers is important one as an income source of teachers. Teachers use these incomes for various consumptions. Here income from employment has implication on quality of life through various consumption patterns. It is including health, nutrition, educational attainment of children, social status of families as well as their ability to adequately cater for the needs of their families. The quality of life is the product of the inter play among the social, health, economic and environmental conditions that affect human and social development (Maheswaranathan&Saheeba, 2009).

Compensation is considered to be the greatest contribution to develop the quality of life through effective consumption pattern, the perception of the role of compensation of government teachers and to improve the quality of life of people by investing knowledge economy.

There are many factors influence in a country's development. Such as economic factors they are physical capital, human capital, social capital financial and nature capital. And non-economic factors such as religion, culture, politics, and psychological factors also influence in the country's development. Moreover, the various parties emphasized that knowledge economy is becoming a fundamental factor to the present economic growth. Knowledge economy means it is based on creation of knowledge, evaluation of knowledge and distribution of knowledge. Creation of wealth and creation of knowledge and its application are gaining paramount place in an economic system is called knowledge-based economy.

As a results of this it emphasizes that it leads to highest impact in convene in value of goods and services of a country, and it gives higher contribution in high competitive and success of globalized countries (Santhirasegaram&Reginold, 2014).They got this teaching job through knowledge economy. Through this, they get particular amount of money as compensation.

Therefore, this study examines compensation of government teachers and their consumption pattern.

## **PROBLEMS OF THE STUDY**

Government gives compensation for teachers who involve in teaching services. Monthly income is important one to determine the budget of every family. According to this, Teachers use their compensation for many needs. They are educated people. They are well-known scholars than compare with other non-educated people in the society. Family which gets more income is able to enjoy the necessities of life and enjoy identifiable luxuries of life (Maheswaranathan&Saheeba, 2009).When people live with limited income they can't satisfied all their needs. They compensate one to another. To live high quality of life they want to invest in health, educational attainment of children, nutrition and social status for their family members.

Hence, the research question of this study was how they use their compensation for their consumption pattern and assess the consumption pattern and socio-economic well-being of government teachers.

## **3. OBJECTIVES OF THE STUDY**

### **3.1 MAIN OBJECTIVE**

The main objective of this study was to identify consumption pattern of government teachers with their limited monthly compensation.

### **3.2 SUB OBJECTIVE**

Assess the consumption pattern and their relationship to socio-economic well-being.

## **4. METHODOLOGY**

Data for this research was collected through primary and secondary data. A well-structured Questionnaire covering all the primary and secondary objectives of the study was prepared to obtain relevant data. Interview method was also used to get the necessary data.123 questionnaires were given to respondents to collect the data. Therefore, the researcher was used stratified simple random sampling technique for this study.The collected data was analyzed by Micro soft excel computer package to compile the data and to obtain the initial calculation.Primary data is the major source of data collection method of this study.

The secondary data for this study was collected from Divisional Secretary Office handbook, it was collected from Sainthamaruthu Divisional Secretary Office, and other documents were collected from books, magazines, newspapers, periodicals and websites.

## 5. RESULT AND DISCUSSION

According to the research, teachers spend 53.90 percentage on food consumption and 8.30 percentages on cloth in the total monthly household expenditure with their compensation. The households which spend largershare on food expenditure in total expenditure is a proxy indicator of household good nutritional status. Like that, Teachers spend higher share of expenditure on food rather than other needs. Therefore, teachers spend 5.40 percentages on electricity and water. Teachers spend 4 percentages for Land phone and Mobile phone cost in their total expenditure. Further, 7 percentage is spent for medical needs. Because, health is important one to live better quality of life. Health condition affects the living standard of people.

Transport cost is an important one in the family budget. Thus, 7.50 percentages spend for transport expenditure and 11.10 percentages are spent for education. Here, education is a fundamental need. According to this, their education expenditure is higher share in their family budget next to the food consumption. It is proved from above data. It is also the fact .1 percentage is spent for repaying the bank loan and rest of the 2.20 percentage is spent on entertainment. It has found that teachers spend a larger share of their limited monthly compensation on food, than on education and medical needs and smaller on other needs.

The amount they spend for consumption differs according to their role in the family. A well-being that can be measured in terms of money. In the present area of research the compensation of government teachers how influence in which degree of impact on their household needs and other components of needs. according to that, 6.50 percentage of teachers fully satisfied with the statement of enough to fulfill the basic needs of the family, 27.64 percentage of teachers satisfied with this statement, 56.91 percentage of teachers are in neutral level at this statement. Likewise, 5.69 percentage of teachers dissatisfied with this statement and 3.26 percentage of teachers fully dissatisfied with this statement.

Likewise, 2 percentage of teachers fully satisfied with the statement of enough to household infrastructure facilities, 18 percentage of teachers satisfied with this statement, 45 percentage of teachers are in neutral level at this statement and 28 percentage of teachers dissatisfied with this statement. Further, 7 percentage of teachers fully dissatisfied with this statement. In addition to this, 0.83 percentage of teachers fully satisfied with the statement of enough to spend for higher education of their own children or brothers and sister's education, 16.67 percentage of teachers satisfied with this statement, 42.50 percentage of teachers neutral at this statement. Likewise, 35.83 percentage of teachers dissatisfied and 4.17 percentage of teachers fully dissatisfied with this statement. 0.81 percentage of teachers fully

satisfied with the statement of having enough saving after expenditure, 6.50 percentage of teachers satisfied and 26.83 percentage of teachers are in neutral level. Further, 56.10 percentage of teachers dissatisfied and 9.76 percentage of teachers fully dissatisfied with this statement. According to this analysis, this study found that teachers' socio-economic well-being is in a moderate level.

## **6. CONCLUSION**

Teachers' compensation is based on educational level, years of experience. In order to that, they receive particular amount of money for their services. It plays an important role in determining consumption pattern of government teachers. Consumption depends on various components. To identify consumption pattern, teachers' consumption expenditure taking into account. This study found that teachers have spent a larger share of their limited monthly compensation on food, than on education and medical needs and smaller on other needs. The amount they spend for consumption differs according to their role in the family.

Sub objective investigated the socio-economic well-being of government teachers. It was revealed that teachers' socio-economic well-being is in a balanced position. They did not get full satisfaction at the same time they did not get fully worried about their compensation. Their socio-economic well-being is in a moderate level. At the same time they strive constantly for higher standard of living.

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