

**Economic Security and Job Satisfaction among Government School Teachers in India: An Exploratory Mixed-Methods Study through the Lens of Human Capital Theory**

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**Abstract**

The importance of human capital in government schools, in particular, is much higher since they are directly involved in the formation of the future generation and national productivity. The concept of government teaching in India has been linked with employment security and financial security and as the economic condition has changed in this country, teachers have evolved their perceptions on economic security and job satisfaction due to inflationary pressures, changing pension and increasing expenditure of the households. The study explores the connection between economic security and job satisfaction among government school teachers by only looking at the Human Capital Theory. The study defines the strategic investments of salary proportionality, income sufficiency, saving behaviour, retirement benefits and perceived economic security as investments that help maintain and improve the productive capacity of teachers.

Primary data were generated using a structured questionnaire that received both quantitative answers and qualitative responses from 71 teachers from the government schools. Descriptive statistics, the cross-tabulations and the appropriate data analysis of the categorical data were used in addition to the thematic analysis of the open-ended answers. The results suggest that although most teachers believe that their careers are economically secure, they still worry about being paid fairly, saving money, inflation, and retirement planning affects job satisfaction. Around 81.7% of the respondents felt that government jobs give them economic security and 60.6% felt that government salaries are commensurate with their work. Over half of the respondents said they had enough income to afford a "fair" level of living, but qualitative data showed that they were concerned about high living costs and financial insecurity in the future.

The study builds upon Human Capital Theory by suggesting that investment in teacher finances should be considered as a national investment for educational productivity, not as a "recurring cost of the public sector. The results have implications for educational administrators and policymakers interested in improving teacher welfare, organizational commitment, and educational quality by creating or evaluating evidence-based compensation and retirement policies.

**Keywords:** Human Capital Theory, Economic Security, Government School Teachers, Job Satisfaction, Financial Well-being, Educational Management, Labour Economics.

**Introduction**

Education continues to be one of the most powerful factors in promoting long-term economic growth and sustainable development. The quality of any educational institution is largely determined by the quality of its teaching staff which represents the most valuable resource of education and the main producers of the human capital of the future. Governments thus spend significant public funds on hiring, training, offering remuneration to teachers, and retaining them. The investments are meant to provide not only jobs, but to enhance the quality of education, productivity of the workforce, and the development of the nation.

The teachers in government schools in India have a special place in the labour market. They generally have full-time jobs, regular pay scales, pension schemes, good medical facilities, and a higher degree of job security than

many jobs in the private sector. Therefore, government teaching remains a popular career for those who are looking for a stable job and financial security.

The several benefits mentioned, however, have been reversed by recent socioeconomic changes that have affected teachers' financial lives. Traditional concepts about economic security have been challenged by rising inflation, rising healthcare costs, rising housing costs, the rising cost of education for dependents, changing pension systems, and increasing financial responsibilities. Financial security isn't ensured by regular employment anymore. Teachers are assessing their economic status more broadly, such as their salary, savings ability, retirement readiness, ability to buy, and their confidence in their future financial security.

Economic security has thus become a crucial factor in organizational commitment and satisfaction. Differential financial insecurity conditions teachers to focus on instructional quality, curriculum development, professional learning and mentoring students rather than financial concerns. On the other hand, financial insecurity can have a negative impact on motivation, job stress, organizational commitment, and/or effectiveness in the classroom.

Previous studies have extensively dealt with the teachers' motivation, organizational commitment, work-life balance, occupational stress and leadership. But, in terms of labour economics, not that much has been done in understanding the contribution of investments on teachers' economic well-being towards job satisfaction. Studies tend to focus on salary as one of several organizational factors, instead of the larger picture of economic security like retirement benefits, savings behavior, income sufficiency, and financial resilience.

This study is intended to overcome these limitations, looking at economic security as a multi-dimensional investment in teacher productivity. Only from the Human Capital Theory perspective, the study proposes that government spending on teacher welfare be interpreted as an investment in educational productivity as opposed to as an administrative cost. Thus, the study aims to examine the relationship between job satisfaction of government school teachers and their salary proportionality, economic security, savings behaviour, income sufficiency and retirement benefits.

### **Review of Literature**

Human Capital Theory suggests that human resource investment contributes to the productivity, commitment of the employees to the organization, and to its long-term economic value. This vision has evolved over time, and recent studies have expanded the understanding of investments in education and training to encompass investment in employee welfare, financial security, retirement planning and compensation. This review provides a brief summary of recent empirical research that has examined the financial aspects of teacher welfare and job satisfaction, and outlines the research gaps which the present study seeks to remedy.

In 2022, Aldrup et al. conducted a longitudinal study of public-school teachers in Germany to explore factors shaping teachers' job satisfaction. They concluded that supportive work environment, remuneration and professional development were crucial factors in improving job satisfaction and organizational commitment that was evident in institutional investments. The findings of the study indirectly supported Human Capital Theory in that continued investments in teachers led to an increase in productive capacity and a decrease in intentions to turnover. Nevertheless, the financial security variables of retirement readiness, savings behaviour and perceived economic security were not explicitly included in the analytical framework.

The Organisation for Economic Co-operation and Development (OECD, 2023) defined economic security as a multi-dimensional phenomenon comprised of employment security, income security, financial security, retirement security, savings security and security in the eyes of the future. Higher economic security was associated with lower stress, higher level of organizational commitment and higher levels of job satisfaction. The report highlighted the importance of multidimensional financial security for labour productivity and organization performance.

The determinants of teachers' job satisfaction among public schools were investigated by Toropova et al. (2021), which showed that income, conditions of work, and organizational support had a significant effect on teachers' job satisfaction. The authors claimed that teachers use salary as a measure not only in monetary terms, but also by considering workload, professional recognition and career security. Remuneration made people more

committed to the organization and less likely to leave, thus reinforcing the Human Capital Theory that employee welfare investments can create higher organizational productivity and employee retention.

Xiao and Porto (2022) investigated the association between income sufficiency and financial well-being in the lives of working adults. The study found that life satisfaction was more positively correlated with the subjectively felt adequacy of income than with income. Those who felt they earned enough reported experiencing less financial stress, higher levels of engagement with their work and better psychological health.

Families who save regularly probably have better financial resilience, as they can better cope with unexpected economic shocks, and their financial confidence is better in the long run, as highlighted by Lusardi and Messy (2022). Those whose savings were regular also had less financial worry and higher psychological health. Financial literacy was among the key factors affecting sustainable savings behaviour.

The researchers Clark, Munnell and Orszag (2023) studied public sector employees' retirement security and concluded that pension benefits had a strong impact on job retention, loyalty to the organization and tended to foster long-term stability in the workforce. Retirement benefits eliminated the uncertainty over financial security and promoted positive organizational commitment during the course of employment.

A UNESCO Global Education Monitoring Report (2023) noted that there is a positive correlation between motivated teachers and higher motivation, low absenteeism, high organizational commitment and quality of instruction. The report recommended that investment in teacher welfare be considered as an investment in national educational productivity and not as an ongoing expenditure of the public funds. Economic security allows teachers to focus on teaching, rather than worrying about their own financial needs.

Becker's Human Capital Theory was further developed by Tan (2021), who suggested that the human capital investments in the modern world should also include employee welfare, occupational health, financial security and retirement planning in addition to education and training. Investment in the whole employment life cycle boosts productivity, commitment to the organization, and working life outcomes. The study suggested introducing financial well-being to Human Capital Theory to get a broader picture of employee behaviour.

### **Overall Research Gap**

The review shows that there are important gaps in the existing literature. First, most studies focus on salary, economic security, retirement benefit or financial well-being as they are separate rather than examine them in a single framework of the Human Capital Theory. Second, most of the empirical studies are conducted on private sector employees or general public servants and less attention has been paid to the case of government school teachers in India. Third, while the traditional Human Capital Theory focuses on investments in education and training, the majority of empirical studies fail to consider salary proportionality, income sufficiency, savings behaviour, retirement benefits and perceived economic security as complementary investments in maintaining the productive capacity of teachers. Fourth, previous studies primarily use quantitative survey techniques, and there is little use of mixed methods studies that incorporate qualitative information into understanding teachers' lived financial experiences along with quantitative information. Lastly, there is little empirical research that uses an integrated econometric model to analyze the relative contribution of various facets of economic security to teacher job satisfaction, which supports the purpose and hypotheses for the study at hand.

### **Methodology**

The study employed an exploratory mixed methods research design with primary survey data gathered from the teachers of government schools. 71 respondents were reached by the structured questionnaire on an online survey platform. The questionnaire included demographic data, economic security markers, perceptions of financial well-being, retirement benefits, saving habits and satisfaction with one's job, as well as open-ended questions where the respondent expressed views about financial issues and experiences at work.

The specific population included government school teachers in government schools. The use of purposive sampling was chosen due to accessibility issues and the exploratory nature of the study. Responses were anonymous and confidential and participation was voluntary.

Data analysis used in quantitative research was descriptive statistics and categorical data analysis. For the structure of the questionnaire used, descriptive frequencies and percentages were more appropriate than covariance based techniques that would involve continuous latent constructs. Thematic analysis method with coding, categorization and identification of themes was used to analyze the qualitative responses.

To obtain the required information, the Coimbatore district was selected for purposive sampling as it is one of the leading education and industrial locations in Tamilnadu which has a high degree of urbanisation, a large number of school going children and a rising cost of living that affect teachers' salaries. The district contains a large number of government schools that have teachers with a variety of demographic and professional characteristics, which makes the district an appropriate area to study the relationship between economic security and job satisfaction. From the point of view of HCT, the teachers of government schools are human capital of particular importance because the security of their salary will influence the productivity of the education sector as well as their dedication to the institution. The socio-economic condition is, therefore, suitable for study on salary proportionality, income sufficiency, saving behaviour, retirement benefits and perceived level of economic security of Government school teachers in the District.

**Results**

**Respondent Profile**

A total of **71 valid responses** were obtained from government school teachers. The respondents represented diverse age groups, teaching experience, income levels, and educational backgrounds. The sample was predominantly female (97.2%), reflecting the gender composition of the participating schools. Most respondents were married (85.9%) and possessed substantial teaching experience, indicating that the findings primarily represent the perceptions of experienced government school teachers.

**Table 1 Demographic Profile of Respondents (N = 71)**

<b>Variable</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Gender	Female	69	97.2
	Male	2	2.8
Marital Status	Married	61	85.9
	Single	6	8.5
	Widowed	4	5.6

*Source: Computed from Primary Survey Data (2026).*

The predominance of female respondents suggests that women constitute a significant proportion of the sampled government teaching workforce. The high percentage of married teachers indicates that household financial responsibilities are likely to influence perceptions of economic security and job satisfaction. From the perspective of Human Capital Theory, these demographic characteristics are important because family responsibilities may increase the perceived value of employment stability and retirement benefits.

**Perceptions of Salary Proportionality**

Salary adequacy represents one of the principal investments in employee human capital. Respondents were asked whether they perceived their salary as being proportional to their workload.

Table 2 Perception of Salary Proportionality

Response	Frequency	Percentage (%)
Yes	43	60.6
Partly	8	11.3
No	20	28.2

Source: Computed from Primary Survey Data (2026).

Approximately three-fifths of respondents believed that their salary was proportional to their workload, while nearly one-third disagreed. This finding indicates that although government teaching is generally perceived as economically rewarding, concerns remain regarding compensation relative to professional responsibilities. Within Human Capital Theory, salary constitutes a continuing investment that maintains employee productivity. Dissatisfaction among almost one-third of respondents suggests potential erosion of the perceived return on that investment.

#### Perceived Economic Security

Economic security is central to Human Capital Theory because it influences employees' willingness to invest effort, remain committed to the organization, and continue developing professionally.

Table 3 Perception that Government Employment Provides Economic Security

Response	Frequency	Percentage (%)
Yes	58	81.7
Partly	6	8.5
No	7	9.9

Source: Computed from Primary Survey Data (2026).

More than four-fifths of respondents perceived government employment as providing economic security. Only a small proportion disagreed. These findings reinforce the traditional perception of government employment as a financially stable career. Human Capital Theory suggests that such stability encourages long-term organizational commitment because employees perceive sustained returns from remaining within the organization.

#### Savings Behaviour

Savings represent an important indicator of financial resilience and long-term economic well-being. Respondents were asked whether they were able to save regularly from their monthly income.

Table 4 Savings Behaviour of Respondents

Response	Frequency	Percentage (%)
Yes	33	46.5
Sometimes	32	45.1
No	6	8.5

Source: Computed from Primary Survey Data (2026).

Nearly half of the respondents reported saving regularly, while an almost equal proportion indicated that they could save only occasionally. Only a small percentage were unable to save. These findings suggest that although teachers generally experience financial stability, rising living costs may limit their capacity to accumulate long-term savings. Human Capital Theory recognizes savings as an important mechanism through which employees preserve productive capacity against future economic uncertainty.

#### Income Sufficiency

Income sufficiency reflects respondents' perceptions regarding their ability to maintain an acceptable standard of living.

Table 5 Perception of Income Sufficiency

Response	Frequency	Percentage (%)
Yes	42	59.2
Partly	17	23.9
No	12	16.9

Source: Computed from Primary Survey Data (2026).

Nearly 60% of respondents believed that their income was sufficient to maintain a decent standard of living, while approximately one-quarter indicated only partial sufficiency. These findings demonstrate that salary remains adequate for many teachers but may not fully address increasing financial expectations associated with contemporary living costs.

#### Standard of Living

Respondents were asked to evaluate their current standard of living.

Table 6 Self-rated Standard of Living

Response	Frequency	Percentage (%)
Good	39	54.9

Average	32	45.1
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*Source: Computed from Primary Survey Data (2026).*

A slight majority of respondents rated their standard of living as good, whereas the remainder considered it average. No respondents selected a poor standard of living. This finding suggests that government employment generally provides an acceptable socioeconomic status, supporting the proposition that investment in teacher welfare contributes to improved quality of life.

**Summary of Key Findings**

**Table 7 Summary of Economic Security Indicators**

Indicator	Positive Response (%)
Government employment provides economic security	81.7
Salary proportional to workload	60.6
Income sufficient for decent living	59.2
Able to save regularly	46.5
Good standard of living	54.9

*Source: Computed from Primary Survey Data (2026).*

The summary indicates that economic security constitutes the strongest positive perception among respondents, followed by salary adequacy and income sufficiency. Savings behaviour received comparatively lower positive responses, suggesting that financial pressures may reduce teachers' ability to accumulate long-term financial reserves.

**Qualitative Findings**

Open-ended responses were analysed using thematic analysis. Four dominant themes emerged.

**Table 8 Themes Emerging from Qualitative Responses**

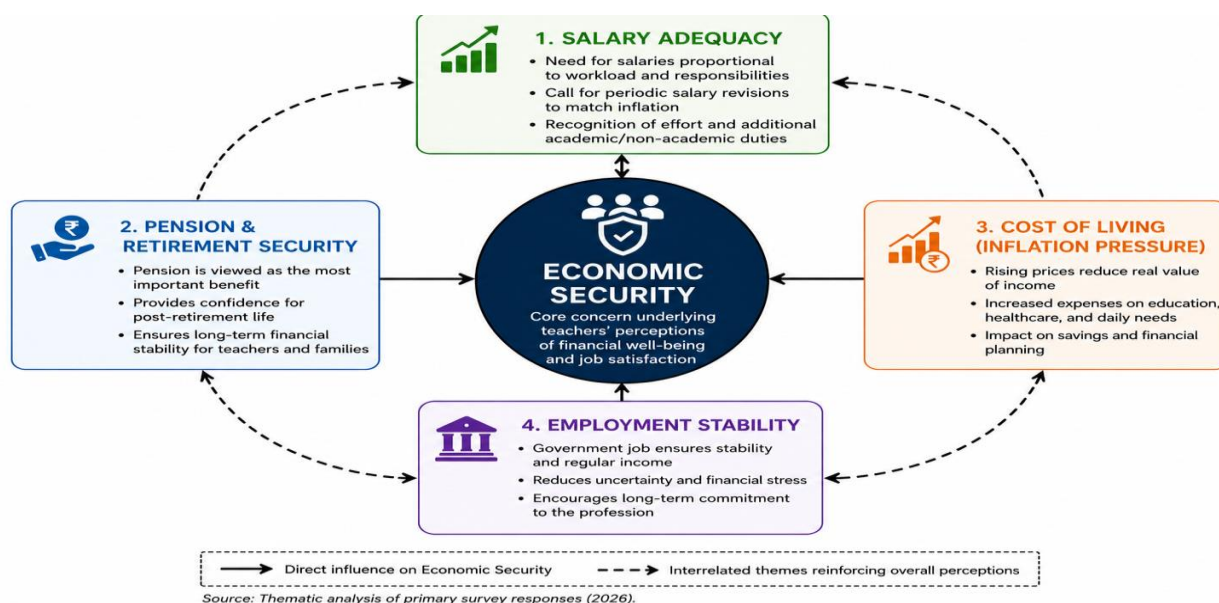
Theme	Response
Inflation and rising living costs	Survey participants indicated that rising prices have a negative impact on purchasing power of wages.
Pension and retirement security	Teachers considered retirement benefits to be an important factor in long-term economic security.

Salary revision	A majority of the respondents commented that they wanted an annual pay increase to compensate for inflation and to cover any additional duties.
Employment stability	The government jobs were always connected with financial confidence and long term security.

Source: Thematic analysis of primary survey responses (2026).

The qualitative findings complement the quantitative evidence by demonstrating that respondents value government employment primarily because of its stability and retirement benefits. However, many emphasized that inflation and increasing household expenditures reduce the real value of their salaries, thereby affecting perceptions of financial well-being.

Figure 4. Thematic Network of Qualitative Responses



Source: Developed from qualitative thematic analysis.

**Overall Findings**

The findings are consistent with the main hypothesis of the Human Capital Theory. Positive feelings about economic security and quality of life seem to be associated with government investments in stable employment, compensation/salary structures, and retirement benefits for teachers. However, the results also reveal that financial security does not stave off financial concerns. Three factors, however—inflation, savings capacity, and salary adequacy—continue to be significant factors in determining job satisfaction. This study indicates that financial security needs to be sustained as a regular investment in the productivity of teachers, in addition to job security.

The demographic analysis shows that of the participants, 97.2% were female teachers around the participating institutions. 85.9% of the sample consisted of married teachers and over half of them have a monthly income of more than ₹60,000. Almost 44% had more than 20 years of teaching experience, indicating that the respondents were very experienced.

The descriptive results show how, on average, economic security is still one of the main motives to take up a job with the government. About 81.7% of the respondents agreed that the government teaching offers economic security. In addition, 60.6% felt that their salaries were generally in line with the amount of work they did. However, nearly a third were not happy about the proportionality of salary, suggesting that there is ongoing concern about compensation.

There was also a significant association between perceived well-being and income adequacy. Almost half said their income allowed them to save regularly and nearly 60 percent said they could have an acceptable standard of living. Many of the respondents, however, reported that rising expenses have lowered their salaries' purchasing power, thus impacting long-term financing plans.

The general attitude towards retirement benefits was positive, with around three-quarters of respondents considering pensions to be the most valuable aspect of long-term economic security. Likewise, more than half believed that their standard of living overall is good, indicating that despite the newfound financial pressures, the employment of the government is providing relatively good socioeconomic conditions.

The four main themes identified in the qualitative responses were: The first involved inflation and the increase in household expenditure, which respondents thought had a negative impact on the real value of salaries. The second was retirement security, with teachers stressing the importance of pension benefits. The third was employment stability, which respondents consistently associated with financial confidence and long-term security. The last theme highlighted the need to review salaries periodically in line with inflation and living costs.

### **Discussion**

The results validate the core tenet of the Human Capital Theory that employee welfare investment is related to productive capacity and organizational effectiveness. Government employment was seen by teachers to offer economic security, with a clear consensus that financial security is still important as a factor of the public sector's appeal to teachers.

However, it also shows that economic security is not a single-dimensional issue. People are not happy with their pay. Teachers' perceptions of well-being are influenced by their saving behaviour, their preparedness for retirement, their sufficiency of income and their confidence in their future financial security. The results go beyond the contributions of Human Capital Theory by providing an example of the need to invest continuously, not only during educational years or in recruitment, but throughout the career of the employees.

The qualitative evidence is presented to complement the quantitative results to help shed light on the concerns that were raised about inflation, retirement planning, and purchasing power. While the main advantage cited as a reason for preferring to work for the government was the value that it placed on their jobs, many respondents felt salary changes should more closely consider the realities of today's economy. The observations confirm the need to keep investing in human capital through regular financial means that are able to sustain the productive capacity of the workforce.

### **Policy Implications**

The results indicate a number of policy implications. As outlined above, first, there may be an increased purchasing power and job satisfaction for teachers in the form of periodic salary revisions associated with inflation. Second, it is important to incorporate the programmes of retirement planning and financial education into the policies on the welfare of teachers to strengthen their financial capacity in the medium and long-term. Third, governments must keep building pension systems as retirement security was one of the highest drivers of perceived economic well-being. Last, teacher welfare is not just a part of administrative costs, but an investment in educational output.

### **Conclusion**

The study is able to reveal that economic security is one of the important factors of job satisfaction among government school teachers. In line with the Human Capital Theory, salary adequacy, retirement benefits, savings possibilities, and financial security help maintain teacher productivity and boost organizational commitment. While the overall perception of the government job was positive, it was evident that it needs continuous policy attention due to concerns over inflation, purchasing power and long term financial planning. Enhancing teacher welfare should thus be seen more as an investment in national human capital and educational quality than just a fiscal responsibility.

The study is exploratory in nature and conducted with a small number of samples of 71 respondents, so the results are not generalizable. The cross sectional design did not allow for causal inference and the mostly categorical survey limited statistical analysis. Larger probability samples, longitudinally designed studies and multi-item measurement scales should be used in future studies to allow for more sophisticated econometric modelling.

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