

Impact of Employment Sector on Wage Inequality: with Special Reference to the Occupation Type of Employees

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Studying about inequalities has become a vital part in many of the sociological researches. Among them 'wage inequality' received much attention since the wages are the most crucial factor in determining the income of people. Today wage differentials are present among various occupations and sectors of the economy. In many instances, employees performing similar kind of work are paid differently. It can be identified that even in the same occupation type, wages are different with the same level of skills. The primary objective of this paper is to identify the impact of the sectorial differences considered with occupation type towards the disparity of wages. It has considered the three major employment sectors in Sri Lanka; the government, semi-government and private sector. The occupation type was fourfold as permanent, temporary, and casual. The data used in this study come from the Labour Force Survey-2015, conducted by the Department of Census and Statistics. The sample selected for the analysis consists of 8151 employees who were filtered based on the status of occupation equals to 'Employee' category and the age group of 15 to 65. It has used a correlation analysis to identify the association between wages of employees with several occupation types and employment sector. One-Way ANOVA tests have used to test whether there are disparities in those wages due to the employment sector with respect to the type of occupation. The results conclude that the sector of the employment is positively associated with wages with occupational type and indicated that there was a significant sectorial difference of wages in permanent and temporary occupation types. But in casual occupational type, a significant difference was not identified with in the sectors. Thus the wages of permanent and temporary employees imply an inequality between the government, semi government and the private sectors. Results of the Tukey pair wise comparisons confirmed the wages are significantly different between government and private sectors considering temporary occupation while permanent employees' wages differ within private-government and private-semi government employees. Therefore it is clear that the wages are differing as per the employment sector although the occupational type is similar.

Keywords: employee; employment sector; occupation type; wage inequality