

A Study On Awareness and Benefits of ESI Act Among Employees

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Abstract: Employee State Insurance (ESI) Scheme is significant social security. It is different from other types of insurance like Health insurance and it provides the full amount for medical bills irrespective of the premium amount. The main aim of this research is to understand the awareness and benefits of the ESI act among employees. The study is descriptive. The objective of the study is to understand the awareness of the ESI act among employees and to identify the level of employee satisfaction with regard to the benefits. The sample size is 100. The sampling method used for this study is simple random sampling. The data has been collected through a well-structured questionnaire and has been analyzed with the help of SPSS software. Frequency, Correlation and Chi-Square tools have been used to analyze the data.

Keywords: ESI, Employee satisfaction, Services & Facilities, Awareness & Benefits.

1. Introduction

The promulgation of the ESI Act by the Parliament in 1948 was the primary major legislation on Social Security for employees in India. This act plays a significant role by taking care of the health of not only the staff but also their families operating within the lined institutions. Social Security plays a major role within the society as a result of which helps to bridge the economic gaps between individuals that are caused due to low financial gain and also bridges standing within the society by giving a correct operating setting that lowers the difference and inequity among the individuals. Social Security removes the discrimination factors such as area unit supported position, quality, or gender by giving the advantages as a matter of legal entitlements. The Employees' State Insurance Act incorporates a conducive functioning wherever employers, workers, and State contribute to a fund. The theme is monitored and administered by Employees' State Insurance Corporation untidily with the individual State Governments. The ESIS was introduced in India in 1948 to provide monetary protection to the beneficiaries within the factories and institutions. The ESI theme was established to scale back the financial price on availing health services. It permits an individual to fulfill unaffordable care that otherwise they can't afford. ESI theme protects the households against the monetary burden of health problems. It's a mechanism to pool the danger. The ESI Act of 1948 was the primary social welfare measures introduced in the Republic of India encompasses sure health connected

eventualities that the employee's area unit typically exposed to, like illness, maternity, temporary or permanent handicap, industrial disease, or death due to employment injury, leading to loss of wages or earning capacity-total or partial.

2. Review of Literature

Nayana S, (2017) in his research paper on "Employees' Satisfaction and ESI Benefits among Public Sector Textile Workers in Kerala" had focused on various social security schemes. This study told that social security schemes has objective of helping the human at the time of death, diseases and any kind of disability. ESI schemes protect the manpower, and increases their productivity to achieve the better results. So, ESI Scheme had a great role in India. As it promotes the standard of a welfare state and also improved the living and working conditions of the workforce. The authors mentioned that investment in ESI Scheme is a wise investment because it will give returns in the nearby future for the country.

DeblinaMitra (2017) in her study- "Effectiveness of Medical Benefits under ESI Scheme: A Study on the Employees of Organised Sector in Kolkata" analysed that Medical benefit scheme of ESIC of India provides a full comprehensive medical care to the insured persons and their families. On the basis of study some suggestions like enhancement of the awareness about the ESI Scheme among the insured persons and employers, improvement in the quality of services in ESI hospitals and dispensaries, simplifying the formalities to be followed for claiming benefits, etc., can be extended to create a cordial atmosphere and smooth relationship between enterprises, ESI Corporation and insured persons.

Ramesh Verma, Neelam Kumar and Raj Kumar (2012) conducted a study on Evaluation of utilization of health care services under ESI schemes in Rohtak district, Haryana. The objective of the study was to analyze the utilization of health care services among various ESI schemes. Among utilization of ESI benefits, insured persons who were not utilizing ESI health care services due to the fact that distance from the residence and OPD timings not suited to them. The study observed that the lowest income group of beneficiaries seeks maximum health care services. And this study also found a relationship between utilization of health care facility and literacy status of participants that is, as literacy increased, utilization of health

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care facilities was also increased.

Mamta Jain, KanikaKaondal (2019) conducted “A study on Satisfaction of beneficiaries by Employees’ State Insurance Scheme”. The study is based on 5 dimensions of SERVQUAL model: Responsiveness, Tangibility, Assurance, Reliability and Empathy. The result tells that all the dimensions of SERVQUAL model have a significant and positive influence on the attitudes of beneficiary in terms of their satisfaction. The objective of this study was to find out the beneficiaries’ satisfaction on service quality dimensions. This study revealed that all identified variables of service quality i.e. responsiveness, assurance, reliability, empathy and tangibility have statistically significant moderate or low positive correlation with the beneficiaries’ satisfaction. It is found that assurance, tangibility and empathy have high Pearson correlation value with significant effect. It means that beneficiaries are highly satisfied in terms of assurance, tangibility and empathy services of ESI Scheme.

A. Ananda Kumar, D. Porkalai & A. Savio Arokiadass (2017) conducted a study on “Effective Utilization of Employee State Insurance (ESI) Policy at E- Publishing Sector”. The employee should have the aware about the Employee State Insurance (ESI) policy because it benefits the Employee Medically strong. The Verve Technologies should focus on the Employee Beneficiary policies. From this study it is inferred that majority of employees are not fully aware about ESI policy. Hence need to focus on Awareness and Utilization of ESI policy more familiar so that it will lead to High Productivity results in Healthy Organization.

R. Saranya, S. Arun Prasath & S. Kavin (2018) conducted a study on “Employees Awareness towards ESI Benefit” These study both primary and secondary data was used. Primary data for this study is freshly obtained from the 190 respondents through survey the structured questionnaire consists of standard questions relevant to the topic of the study. Percentage analysis was used to display the frequency distribution of the respondents of the selected sample. Weighted average ranking was used to evaluate the ranking of attribute determining the preference of ESI Benefits. The study was conducted only in tirupur, which compelled to neglect several potential samples outside this area, so findings may not be applicable to any other cities.

SumitraPujari (2018) in her study “A Study on Welfare Schemes of ESI” The study is confined to the past 2-3 years and focuses on present system of the ESI Schemes and its benefits. The data is collected from secondary sources and thus is subject to slight variation than what the study includes in reality. The study to ESI Schemes and Benefits is restricted only to some organizations under ESI Act in Hyderabad. The scope of the study covers employees working in non-seasonal factories employing 10 or more and 20 or more for an Educational institution.

Swathy A. S. (2018) in her study “Effectiveness of Employees’ State Insurance Scheme among Employees in Cochin City” The study reveals that the ESI scheme is effective but not up to the level expected by the employees. Reimbursement of the salary is not undertaking in a correct

manner. The majority of the employees are not aware about the procedural formalities of the scheme. And this shows that there is lack of awareness about the scheme among the employees. Employees are satisfied with benefits provided under the scheme. ESI hospitals are proving better diagnostic services and medicines freely to the insured employees. And also the employees are moderately satisfied with the quality of services provided in the ESI Hospitals.

PrernaGarg (2018) conducted a study on “An Assessment of the working mechanism of employee’s state insurance corporation” The major problem is the operational deficiency of the ESI. This includes various factors like, distance, lack of awareness of various schemes of ESI, delay in getting payment, difficult procedure for claiming benefits, etc. For this scheme to be a success, a social movement is needed to create awareness among the people in the rural and semi-urban area specially. Illiteracy is also a major stumble block for the popularization of the scheme. Because of this, people are not able to understand their legitimate rights and this contributes to one of the reasons for the failure of any scheme implemented by the government. People should be aware about their rights so that those involved in the implementation of the scheme will be cautious before doing any undesirable things. Improvement of medical facilities is also important; in this regard more and more hospitals should be tied up with ESI. Mobile hospital concepts should also be introduced for the benefit of the people residing in rural areas. There should be combined effort both from the government and the public for the successful implementation of schemes related to ESI. More importantly the political will is needed among the political parties for the improvement and implementation of this programme.

Adduri Naveen, Sudhamsetti Naveen (2018) conducted a study on “An Empirical Study on Employees Satisfaction towards ESI Act-1948” ESI scheme is playing a vital role to provide social security to the employees. The scheme covers various economic risks such as health, sickness, death, disability & maternity. Generally, it contributes complete amount of the medical bill irrespective of the premium contribution, so it is quite different from other health insurance schemes. The primary aim of this paper is to analyze the satisfaction of various employees towards ESI Act. For this purpose, 100 beneficiary employees are selected as sample for the study by adopting Random sampling method. A well-structured questionnaire was used for the data collection. The

Statistical tools like chi-square test and percentage analysis were employed to analyze the collected primary data. The data interpretation has been done with tables and various graphs. This study reveals that ESI Hospitals were non-functioning up to the expected level.

3. Objectives of the Study

Primary Objectives:

To understand the awareness of the ESI act among employees.

Secondary Objectives:

- To identify the level of employee satisfaction with

regard to the benefits.

- To know whether the benefits are easily available to the employees or not.

4. Need of the Study

- To understand the awareness level of the employees about ESI act.
- To study the concerned benefits utilized by the employees in organization.
- The present study is conducted to know whether ESI Scheme is implemented effectively and to know the benefits provided to the employees under the Act.

5. Research Methodology

The study is descriptive in nature. Primary data has been collected from the respondents who are the employees of The Standard textiles using questionnaire. Secondary sources are also used and they are collected from various journals and ESI websites. Employees of The Standard Textiles are chosen as the sampling unit. 100 responses were collected from the ESI employees of The Standard Textiles who are considered as the sample for the study. Simple Random sampling technique is used to get responses from the employees. Statistical techniques such as Frequency, correlative and chi-square are used to analyze the data.

6. Data Analysis and Interpretation

A. Frequency

Table 1
Demographic Profile of Respondents

Demographics Profile	Categories	Frequency	Percentage
Gender	Male	39	39
	Female	61	61
Age	Below 20	1	1
	21-30	25	25
	31-40	35	35
	41-50	35	35
	Above 50	4	4
Educational Qualification	<SSLC	13	13
	SSLC	24	24
	HSC	37	37
	UG	23	23
Department	PG	3	3
	HR	23	23
	Production	63	63
Experience	Accounts	14	14
	Less than 1 year	6	6
	1-3 years	26	26
	3-5 years	64	64
Number of dependents	Above 5 years	4	4
	Less than 2	6	6
	2-4	49	49
	4-6	43	43
	Above 6	2	2

Interpretation:

The above table portrays the result of the demographic profile of the respondents. The result shows the majority of the respondents are female, the majority of the respondent age group is under 31-40 & 41-50, the majority of the respondent's

educational qualification is HSC, the majority of the respondents department is production, the majority of the respondents experience is 3-5 years, the majority number of dependents in the family is 2-4.

B. Correlation

Table 2
Employees awareness and benefits

Employees are aware of the formalities for claiming various benefits provided by the corporation	Pearson Correlation	1	.227*	.375**	.291**
	Sig. (2-tailed)		.023	.000	.003
	N	100	100	100	100
Employees will avail the benefits after retirement	Pearson Correlation	.227*	1	.381**	.386**
	Sig. (2-tailed)	.023		.000	.000
	N	100	100	100	100
Employees are aware that from your salary some amount is deducted for ESI	Pearson Correlation	.375**	.381**	1	.160
	Sig. (2-tailed)	.000	.000		.112
	N	100	100	100	100
Employees are aware of time limit for the payment of contribution	Pearson Correlation	.291**	.386**	.160	1
	Sig. (2-tailed)	.003	.000	.112	
	N	100	100	100	100

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Interpretation:

From the above table, it is highly correlated and it has significant difference between the employee's awareness and the benefits provided.

C. Chi-Square

H₀: There is no significance relationship between the experience and the satisfaction regarding the services of the employer staff while claiming the benefits.

H₁: There is a significance relationship between the experience and the satisfaction regarding the services of the employer staff while claiming the benefits.

Table 3
Experience * The services of the employer staff for claiming the benefits is satisfied Cross tabulation

		Count				Total
		The services of the employer staff for claiming the benefits is satisfied				
		Disagree	Neutral	Agree	Strongly agree	
Experience	Less than 1 year	0	4	2	0	6
	1-3 years	0	13	10	3	26
	3-5 years	1	28	32	3	64
	Above 5 years	0	1	2	1	4
Total		1	46	46	7	100

Table 4
Chi-Square Tests

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	5.956 ^a	9	.744
Likelihood Ratio	5.942	9	.746
Linear-by-Linear Association	.957	1	.328
N of Valid Cases	100		

a. 12 cells (75.0%) have expected count less than 5. The minimum expected count is .04.

Interpretation:

From the above table, the significance level is 0.744 indicates that this Chi-Square is statically significant. So that we reject null hypothesis H_0 and accept alternate hypothesis H_1 .

7. Conclusion

Employees' State Insurance Scheme has to enhance their services to meet the challenges and demands of the changing environment. The essence of this scheme is beneficiaries' satisfaction and also the awareness about this act to the employees is essential in today's world. The objective of the study is to understand the awareness of the ESI act among employees. From this study is revealed that the maximum number of workers are aware and satisfied with the services

provided by the ESI and the majority of the workers are utilizing the benefits.

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