

Employees Awareness towards ESI Benefit

R.Saranya¹ S.Arun Prasath² S.Kavin³

¹Assistant Professor ^{2,3}MBA Student

^{1,2,3}Department of Management

^{1,2,3}NIFT - Tea College of Knitwear Fashion, Tirupur, India

Abstract— Employee State Insurance (ESI) Scheme is a very large social security. It is different from other types of insurance like Health Insurance that it provides full amount of medical bill irrespectively of the premium contribution. The purpose of the study is to analysis the awareness and satisfaction with the level of Employee State Insurance (ESI) policy. The study also attempt to review the various Employee State Insurance (ESI) benefits available to the Employees. The research paper is to find the effects of utilization of Employee State Insurance (ESI) policy using various statistical tool through SPSS software.

Key words: ESI, Employee Satisfaction, Social Security Benefits

I. INTRODUCTION

The Employees' State Insurance Act and the scheme framed there under constitute an important social security program and protection to industrial workers and their families who are exposed to the risks of sickness, employment injury and occupational diseases and in the case of female employees to maternity. The promulgation of Employees' State Insurance Act, 1948(ESI Act), by the Indian Parliament is the first major legislation on Social Security for workers in the independent India. The deployment of manpower in manufacturing processes was limited to a few selected industries such as jute, textile, chemicals and the like. The purpose of the study is to analysis the awareness and satisfaction with the level of Utilization of Employee State Insurance (ESI) policy.

II. CONCEPTUAL FRAMEWORK

Employee State Insurance (ESI) Scheme is a very large social security. It is different from other types of insurance like Health Insurance that it provides full amount of medical bill irrespectively of the premium contribution. The promulgation of Employees' State Insurance Act, 1948(ESI Act), by the Indian Parliament is the first major legislation on Social Security for workers in the independent India .The Employees' State Insurance Act and the scheme framed there under constitute an important social security program and protection to industrial workers and their families who are exposed to the risks of sickness, employment injury and occupational diseases and in the case of female employees to maternity.

A. Contribution of the wages:

Under the ESI scheme 6.5 % of Gross salary, employees contribute 1.75% of their wages and the employers contribute 4.75% of the wages of eligible beneficiaries/employees.

B. Applicability of the Act:

Drawing wages up to Rs.21000/- per month engaged either directly or through contractor. It is extended in area-wise to

factories using power and employing 10 or more persons and to non-power using manufacturing units and establishments employing 20 or more person. It has also been extended upon shops, hotels, restaurants, roads motor transport undertakings, equipment maintenance staff in the hospitals.

C. Making Payment of contribution:

The total amount of contribution (employee's share and employer's share) is to be deposited with the authorized bank through a challan in the prescribed form in quadruplicate on before 21st of month following the calendar month in which the wages fall due. With 15 days of Commencement through FORM 01 to ESI office

D. Payment of Gratuity Act, 1972:

Gratuity is a lump sum payment to employee when he retires or leaves service. It is basically a retirement benefit to an employee so that he can live life comfortably after retirement. However, under Gratuity Act, gratuity is payable even to an employee who resigns after completing at least 5 years of service.

III. BENEFITS UNDER ESI SCHEME

A. Medical benefit:

Is the prime benefit with minimum conditions for eligibility with an exception that it is the only benefit which is available in kind. This benefit is available to the family members of insured person also. Medical benefit is provided through a wide network of ESI Hospitals, Dispensaries and a number of empanelled private hospitals.

B. Sickness Benefits:

Sickness is a condition which necessitates medical attendance along with abstention from work. An employee suffering from any such sickness has to get the sickness or the incapacity certified from the ESI institutions, normally from the ESI dispensaries through the insurance medical officers.

C. Maternity benefit:

Maternity benefit is paid in the form of leave salary to an insured woman, in case of confinement or miscarriage and in case of sickness arising out of pregnancy, confinement, premature birth of child or miscarriage. Maternity , benefit is paid for 84 day , miscarriage benefit is paid for 42 days and sickness benefit for various problems arising out of pregnancy or confinement is paid for one month .

D. Dependent benefit:

Dependent benefit is a monthly pension payable to the eligible dependent of an insured person who dies as a result of an employment injury or occupational disease.

E. Disablement Benefit

1) Temporary Disablement Benefit

Temporary disablement is a condition caused by an employment injury which necessitates medical attendance and renders the employee temporarily incapable of doing the work which he was doing prior to the happening of the accident, resulted in such an employment injury. Temporary disablement is paid as leave salary, the rate of leave salary is 90% of the average daily wage earned by the employee

2) Permanent Disablement Benefit

If there is any residual disability of permanent nature due to employment injury, the insured person is examined by a medical board to assess the loss of earning capacity if any and its percentage. The insured person is paid monthly periodical payments of permanent disablement for life from the date following the date of termination of temporary disablement at that percentage out of full daily rate of disablement benefit.

IV. RESEARCHERS VIEWS

P.M.Nayak (1972), Secretary of the All India Organisation of Employers, in a letter to the Member-Secretary, Committee on Perspective Planning, Employees' State Insurance Corporation, New Delhi, suggested that for a social security scheme like the Employees' State Insurance, the first priority should be given to improving the existing medical benefits and providing them uniformity in the entire implemented area. He also pointed out that despite the frequent increases in employer's contribution neither the finances available for medical care nor the standard of medical care has improved. Therefore, any increase in the employers' contribution would be highly unjustified till the existing standard of medical care is improved; lax certification and wasteful expenditure are checked.

Valsamma Paul (1995), in her study, suggested that the ESI Act, 1948 and the Rules may be amended, binding the employers to provide the employees with necessary information about the employment injury benefits available under the ESI Act, 1948 and the formalities for obtaining the same. This will help the illiterate employees, especially the casual ones avail of employment injury benefits. She also suggested that administration of medical benefit should be undertaken by the Employees' State Insurance Corporation from the State Government.

G.Ramanujam (1996), Veteran trade unionist and the former Governor of Orissa, had voiced his concern about the shoddy working of the ESI hospitals. In a statement, he said "labour has been all along complaining about the poor quality of medical benefits under the Employees' State Insurance Scheme.

S.K.Sharma (1997), former Director General of the Employees' State Insurance Corporation, pointed out that the ESI Corporation of India, dedicated to extension of social security benefits to a specific segment of worker class has the potential, expertise and a massive broad based infrastructure that still remain unexploited and underutilised.

Dash U and Muraleedharan VR (2011) in their paper analyze overall trends in utilization and number of

beneficiaries of ESI over a period of time. In this study they tried to assess the utilization pattern of ESI facilities and to what extent the ESI scheme helps to protect the beneficiaries from the catastrophic health expenditure. The study shows that the overall utilization level is very low due to, perceived low quality drugs, long waiting periods, insolvency of personnel, long waiting spells to unusual delays in reimbursement of money spent on treatment outside, lack of or low interest of employers and low awareness of ESI procedures.

G.Muthulakshmi (2014) conducted a study on the performance of Employees state insurance scheme with special reference to Tuticorin district, Tamil Nadu. The study scrutinizes the performance of ESI Corporation and also the perception of employees on ESI hospitals. The study found out that ESI dispensaries/hospitals were not functioning up to the satisfaction of insured persons. The study also reveals the scope to improve its functions and turn into a highly trustful and reliable corporation, implementing better services.

V. METHODS & PROCEDURES OF THE STUDY:

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.

A. The main Objective of the Study:

- 1) To study and know about the awareness of employee welfare among the employees in organization.
- 2) To study the satisfaction level over existing ESI benefits.
- 3) To identify the source of information about ESI scheme.
- 4) To study how the organization motivates the employees by identifying and satisfies their needs.
- 5) To access the effectiveness and accessibility of ESI Scheme to the workers.
- 6) To give appropriate suggestions to improve the employees over the benefits.

B. Limitation of the Study:

The preference and perception of employees will change day to day. Hence the result of the project may be applicable at present. The sample size is limited to 190 respondents, so findings may not represent the entire population of employees and it may be not applicable to others places. 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.

VI. DATA ANALYSIS & RESULTS:

S.NO	VARIABLES	CLASSES	PERCENTAGE
1	AGE	19 -25	14
		25 -30	47

		30 -35	26
		35 & Above	31
2	GENDER	MALE	71
		FEMALE	29
3	MARTIAL STATUS	MARRIED	56
		UN MARRIED	44
4	EDUCATIONAL QUALIFICATION	SSLC	15
		HSC	33
		UG	28
		PG	24
5	MONTHLY SALARY	5000 – 7000	6
		7000 – 9000	22
		9000 – 11000	45
		11000 - 13000	27
6	DESIGNATION	MANAGER	5
		MERCHANDISER	7
		SUPERVISOR	7
		QC	13
		WORKERS	68
7	YEAR OF EXPERIENCE	0 - 1 YEAR	6
		1 – 3 YEARS	24
		3 – 5 YEARS	41
		5 – 7 YEARS	20
		ABOVE 10 YEARS	9

It shows that the majority 47 percent of the respondents were in the age group of 25-30, 71 percent of the respondents are male, 56 percent of the respondents are unmarried, 33 percent of the respondents are HSC, 45

percent of the respondent's monthly Salary was between 11000-13000, 20 percent of the respondents had working experience 3 -5 years.

VII. WEIGHTED AVERAGE RANK ANALYSIS

A. Welfare measures adopted in the Organization

s.no	Category	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Weight	Rank
1	First Aid Training	104	43	41	1	1	14	2
2	Provident Fund	26	125	31	7	1	16	1
3	Insurance	22	85	71	8	4	6	6
4	Gratuity	12	73	72	26	27	4	7
5	Recreation	33	70	47	22	18	2	8
6	ESI	40	94	44	9	3	12	3
7	Workmen' compensation	20	91	59	13	7	10	4
8	Maternity Benefit	34	89	49	11	7	8	5

It is inferred from the above weighted average table that Provident Fund stands first place First Aid Training the second rank followed by ESI at third rank. Workmen's Compensation, Maternity benefits and Insurance are ranked

by fourth, fifth and sixth position. Gratuity deserves the seventh rank and finally Recreation at eighth rank.

Table shows that wages and salary administration of the Organization

s.no	Category	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Weight	rank
1	Scale of Pay	121	47	17	4	1	40	1
2	Bonus	44	105	27	11	3	30	2
3	Pay revision period	37	73	62	11	7	20	3
4	Award for additional qualification	46	81	39	17	7	10	4

It is inferred from the above weighted average table that Scale pay stands first place, Bonus followed by second rank. Pay Revision Period places at third rank and finally Award for additional Qualification at fourth rank

will be difficult to provide them full benefits. Therefore, appropriate actions are required to generate awareness.

VIII. SUGGESTIONS

1) Awareness Generation Majority of workers was not found fully aware of the specific provisions of the various Social Security Acts. Without full awareness, it

- 2) Generate awareness among workers through seminars, workshops, press media and electronic media.
- 3) Ensure that the Welfare Officers are easily available/approachable
- 4) Increase the cash benefits under ESI the satisfaction of beneficiaries.
- 5) Establish more hospitals/dispensaries in the industrial areas to reduce the workload and facilitate the beneficiaries.

IX. CONCLUSION

The organization will be healthy only when the Employee and the Organization together have a growth so that it will be Healthy Organization. Need to focus on Awareness and Utilization of ESI policy more familiar so that it will lead to High Productivity results in Healthy Organization. Employee of organization said that few companies are not properly contributing their part on ESI& PF. To avoid such opinions the company has to loyal to their employee on the payment of ESI& PF. The contribution of employer share is also contributed by the employee itself in few institutions, this should be eradicated. Employers have to provide proper awareness to have wrong opinion on ESI like it is not covering all the members of family, only few amount will be received at the end etc.

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