

AN ASSESSMENT OF AWARENESS AND SATISFACTION ON EMPLOYEE STATE INSURANCE SCHEME IN THE SERVICE SECTOR IN KERALA

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Abstract

ESI scheme is a very large social security network. The scheme encompasses basic economic risks namely health, sickness, disability, death and maternity. It is different from other types of insurance like health insurance that it provides full amount of medical bill irrespective of the premium contribution. The purpose of the present study is to analyze the awareness and satisfaction of beneficiaries towards ESI scheme in Kerala. The study also attempts to review the various ESI benefits available to employees. For this purpose, 90 beneficiary employees are selected by employing simple Random Method as sample for the study, 30 respondents each from each of the three selected establishments namely shops, educational institutions and financing companies. A structured interview schedule was used for the data collection. For analyzing the collected data, the Statistical and Mathematical tools like ANOVA, chi-square test and percentages were employed. The findings of the study show that the beneficiaries of educational institutions are more aware about ESI scheme than other two classes. Similarly, there is no statistically significant association between occupational status of the employees and their preference in the selection of hospitals and the level of satisfaction from the various ES Schemes. Private hospitals are the most preferred hospitals by most of the respondents. The study reveals that ESI Dispensaries/Hospitals were not functioning up to the expected level of the insured persons.

Keywords: *ESI, Employee Satisfaction, Social Security Benefits.*

1. Introduction

Employees State Insurance Scheme is a corporate body set up by the Central Government under ESI Act 1948 to administer the ESI Scheme. ESI Act, 1948 envisaged an integrated need based social insurance scheme that protect the interest of workers in contingencies such as sickness, maternity, temporary or permanent disablement resulting in loss of wages or earning capacity, death due to employment injury. The Act also guarantees reasonably good medical care to workers and their immediate dependents. The Act absolved the employers of their obligations under the Maternity Benefit Act, 1961 and Workmen's Compensation Act 1923. The benefits provided to the employees under the Act are also in conformity with ILO conventions. The scheme provides full medical care to the employee registered under the scheme during the period of his incapacity for restoration of his health and working capacity. It provides financial assistance to compensate the loss of his/her wages during the period of his abstinence from work due to sickness, maternity and employment injury.

ESI scheme is administered by a corporate body called Employees State Insurance Corporation, which has members representing Employers, Employees, the central govt, state Govt, medical profession and the parliament. The Director General is the chief Executive office of the corporation and is also an ex-officio member of the corporation. The Scheme was first implemented at Kanpur and Delhi on 24th February 1952.

ESI scheme is a self-financing scheme. The ESI funds are primarily built out of contribution from employers and employees payable monthly at a fixed percentage of wages paid. The State Govt also contribute 1/8th share of the cost of medical benefit. Normally ESI Act is applicable to an employee who draws a monthly salary of up to Rs.15000 month excluding the overtime wages and such sections of wages of irregular nature. But even these excluded categories of employees whose monthly salary is higher than that of Rs.15000 month are also said to be in insurable employment, if they are working in a factory or establishment to which ESI Act is applicable, irrespective of the fact that they are exempted from the ESI Act.

The ESI Scheme is implemented area-wise by stages. The Scheme has already been implemented in different areas in all the States/Union Territories except Nagaland Manipur, Tripura, Sikkim, Arunachal Pradesh and Mizoram.

2. Coverage of ESI Scheme

According to ESI act 1948, it applies to non-seasonal factories or manufacturing units employing 10 or more people in a power using factory and 20 or more people in a non-power using factory.(sec 2(12)). To increase the coverage ESI Act has also been extended gradually to other establishments. According to the notification issued by the State Govt concerned under Sec 1(5) of the Act, the following establishments employing 20 or more persons for wages attracts ESI coverage.

1. Shops
2. Hotels or restaurants not having any manufacturing activity , but only engaged in sales
3. cinemas including preview theatres
4. Road motor transport establishments
5. Newspaper establishments
6. Private Educational institutions and medical institutions.

ESI Act, however, is not applicable to factories or establishments run by the State Government whose employees receive other social security benefits.

3. ESI Scheme in Kerala

ESI Scheme was first implemented in Kerala Region in 1956 and it now extends to all districts except Wayanad. The overall administrative control in running the scheme in the States as a whole rest with the Regional Office and with a view to ensure effective administration by way of easy accessibility and early settlement of claims Corporation has set up Sub Regional Offices. Corporation has its Regional Office for Kerala at Thrissur and Sub Regional Offices at Kollam and Ernakulam. Kerala Region has also 51 Branch Offices for disbursing cash benefits envisaged under ESI Act.

Medical Scheme under ESI Act is administered by the respective State Governments through ESI Hospitals and Dispensaries. In Kerala, the Corporation has taken over the ESI Hospitals at Asramam, Parippally and Ezhukone in Kollam District and Udyogamandal in Ernakulam District under its administrative control.

4. Review of Literature

The main purpose of the present study is to analyses awareness and satisfaction of beneficiaries towards Employees State insurance. A few studies have attempted to examine the working of Employees' State Insurance. A brief of the related studies is given below.

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 primary data were analyzed with the help of various statistical measures such as simple percentage analysis, Averages, F-statistic, Chi-square test, Garrett ranking and percentage analysis. 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.

Dash U and Muraleedharan VR (2011) in their paper analyze overall trends in utilization and number of beneficiaries of ESIS 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, insolence 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.

Sharma, A.K., (1997) revealed that overall satisfaction of beneficiaries from ESI dispensary services was only 45 percent. Sixty percent of employers felt that their employees were not satisfied with ESI services. Dissatisfaction from various services provided at the dispensary level was among more than 50 percent of dispensary doctors. Even the administrators agreed with most of the problems reported.

Thus, in the absence of a systematic study on awareness and satisfaction of beneficiaries towards ESI in Malappuram district in Kerala, the present paper is a humble attempt to fill the gap.

5. Objectives of the Paper

The present study has undertaken with the following objectives.

1. To examine the various social security benefits under ESI scheme in Kerala.
2. To review the preferences of Hospitals while enjoying the ESI benefits and
3. To assess the level of awareness and satisfaction of the beneficiary employees towards ESI schemes in Kerala.

6. Hypotheses Formulated and Tested

In line with the above stated objectives, the following hypotheses were developed and tested.

1. There is no significant relationship between occupational status of the employee and their preference towards hospitals.
2. There is no significant relationship between occupational status of the employee and their awareness on ESI benefits.
3. There is no significant difference among the employees in the shop, educational institutions, financing institutions with respect to their satisfaction level.

7. Methodology and Database

This is descriptive in nature based on survey method. Data have been collected from both secondary and primary sources. Secondary data have been collected from books, journals, newspapers, internet and periodicals. Primary data have been collected from the selected 90 ESI beneficiaries in Malappuram district in Kerala with the help of a pre-tested interview schedule. These beneficiary employees are equally selected from the three sectors namely,

1. Shops
2. Financing Company and
3. Educational Institution.

Thus, 30 employees each from each of the three sectors were selected for the study. Simple Random Sampling method has been employed for the selection of sample beneficiary employees. The data collected from the primary source were analyzed with the help of various mathematical and statistical tools like percentages, chi square test and ANOVA. In addition to this, interviews and discussions were conducted with the managers in ESI Corporation, Trisuur to collect data for the preparation of this paper.

8. Social Security Benefits under ESI Scheme

1. Medical Benefits

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. Primary and secondary care is provided through ESI dispensaries and ESI hospitals which come under the control of state government. In addition to this there are 4 ESIC hospitals in our state, which are functioning under the control of ESI Corporation and out of these 4 hospitals, in one hospital, super specialty treatment also is provided. The main characteristic of this benefit is that it is not linked with the quantity of wages the employee earns.

2. 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. Sometimes the sick person directly seeks treatment in private hospitals and in such cases immediately after the treatment in patient or out patient, the person has to approach the dispensary and the insurance medical officer will issue certificate for the sickness with a remark on the need for abstention for the back period also. The certificate issued by the insurance medical officer is called Regulation certificate. This regulation certificate will speak about the diagnosis and the recommendation for leave with the number of days for which the abstention of work is required by the insured person. The insured person has to visit the dispensary as long as he is sick, and the insurance medical officer directs him to visit at specific intervals and at each time of his visit, the insurance medical officer will issue regulation certificate certifying the extended period of abstention. This certification process continues till the insurance medical officer is of the opinion that the person is fit to join the work and at this stage he issues a fitness certificate stating that the person no longer needs abstention from work and is fit to join.

3. 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 days, miscarriage benefit is paid for 42 days and sickness benefit for various problems arising out of pregnancy or confinement is paid for one month. These are all periodical payments paid in multiples of a week, i.e. in the gap of one week or in the gap of two weeks or as such.

4. Disablement Benefit

a. 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, in case of an employment injury. The rate of leave salary is 90% of the average daily wage earned by the employee in the contribution period corresponding to the benefit period in which the accident happened. It is available from the date of joining the insurable employment.

b. 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. Permanent disablement benefit is paid to an employee not as any leave salary. Payment of leave salary stops from the date of fitness and the permanent disablement is paid monthly from the date of fitness in the form of pension.

5. Dependant Benefit

Dependant's benefit is a monthly pension payable to the eligible dependants of an insured person who dies as a result of an employment injury or occupational disease. The benefit can be drawn in cash at the branch office or by money order at the cost of the corporation or it can be credited every month to the bank account of the beneficiary.

Besides the above, other benefits being provided to the beneficiaries are confinement expenses, funeral expenses, unemployment allowance and skill up gradation training under RGSKY, vocational

rehabilitation facilities for permanently disabled persons, supply of Artificial Limbs, appliances and aids to the insured person and his family members etc. which underlines the extend of the scheme, and its role in providing a complete social security to a major work force.

Table 1: ESI Scheme- A Total Social Security for Workmen

1	Medical Care	Primary, Secondary and Tertiary medical care with no cap on individual expenditure.
2	Sickness Benefit	91 days
3	Extended Sickness Benefit	730 days (upto 2 years) for specified 34 diseases
4	Maternity Benefit	84 days+1 month (due to complications arising out to pregnancy, confinement, premature birth of child etc.
5	Permanent Disablement Benefit/Temporary Disablement Benefit	Based on loss of earning capacity/as long as the disability lasts.
6	Dependents Benefit	On the death of IP to the wife till she is alive/remarried and to family members as per conditions w.r.t age/marriage.
7	Rajiv Gandhi Shramik Kalyan Yojana (Unemployment Allowance)	50% of daily average wages upto 12 months unemployment on account of closure of factories, retrenchment or permanent invalidity of not less than 40% arising out of non-employment injury.
8	Incentive Scheme to employers for employing persons with disabilities	The employers' share of contribution is paid by government for 3 years for providing employment to persons with disabilities drawing monthly wages upto Rs. 25,000/-
9	Medical Care to Retired IPs	Medical facility available within ESIC on payment of Rs. 120/- per annum.

Source: www.esic.nic.in

9. Results and Discussion of the Analysis of Data

The results of the analysis of the primary data collected through survey are explained in the following pages.

9.1. Socio-Demographic Characteristics of the Respondents

The socio - demographic characteristics of respondents are shown in Table 1.

Table 2, Socio-Demographic Characteristics of Respondents

Variable	No.	Per cent
1. Gender		
Male	68	75.6
Female	22	24.4
Age		
Below 25	6	6.7
25-35	40	44.4
35-45	20	22.2
Above 45	24	26.7

2. Education Qualification		
Under graduate	22	24.4
Graduate	36	40
Post graduate	32	35.6
3. Average Monthly Income		
Less than 5000	8	8.9
5000-10000	43	47.8
Above 10000	32	35.6
4. No. of Dependent Members		
1	6	6.7
2	30	33.3
3	12	13.3
4	32	35.6
Above 4	10	11.1
5. No.of times the ESI benefits Aailed		
1	46	51.1
2	30	33.3
3	9	10.0
4	1	1.1
Above 4	4	4.4

Source: Survey Data

9.2. Employees' Preference towards Hospitals

The beneficiary employees can select any of the following three type of hospitals according to their choice.

1. ESI hospital
2. Govt hospital
3. Private hospital

The following Table indicates the preference of the sample employees towards the hospitals.

		Preference of Hospitals			Total
		ESI Hospital	Govt. Hospital	Private Hospital	
Occupational Status	Shop	9	1	20	30
	Educational institutions	13	1	16	30
	Financial Institutions	9	3	18	30
	Total	31	5	54	90

Source: Survey Data

Testing of Hypothesis No. 1

There is no significant association relationship between occupational status of the employee and their preference towards hospitals.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.077	4	.545
Likelihood Ratio	2.924	4	.571
Linear-by-Linear Association	.075	1	.784
No of Valid Cases	90		

Source: Survey Data.

The above table shows that chi - square value is 3.077 and sig. value .545, so the null hypothesis is accepted. Hence, it is clear that there is no significant association occupational status of the employee and their preference towards hospitals. It is found that beneficiaries of three classes preferred private hospital, because of the fact that private hospitals provide more infrastructural facilities, laboratory facilities, etc.

9.2. Awareness of Beneficiary Employees about ESI benefits

The data on awareness of beneficiary employees about ESI benefits is given in Table 4.

Table 4, Occupation & Awareness about ESI Benefits

		Aware		Unaware	
		No.	%	No.	%
Occupational Status	Shop	12	22.6	18	48.65
	Educational Institutions	27	50.9	3	8.11
	Financing Company	14	26.4	16	43.24
	Total	53	100	37	100

Source: Survey Data

From the above table it is clear that 53% of respondents aware of the ESI benefits. Among this, beneficiaries of educational institutions are more aware about ESI than other two classes of beneficiaries.

Testing of Hypothesis 2

There is no significant relationship between occupational status of the employee and their awareness on ESI benefits.

Table 5, Occupation and awareness towards ESI scheme

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.266	2	.000
Likelihood Ratio	20.566	2	.000
Linear-by-Linear Association	.272	1	.602
N of Valid Cases	90		

Source: Survey Data

This above table shows that there is a significant relation between occupation and awareness towards ESI scheme in Malappuram district (chi square = 18.266, p = .000). Thus, it is clear that occupation will influence the awareness level of employees in three different sectors. Hence, the hypothesis that there is no significant

relationship between occupational status of the employee and their awareness on ESI benefits is rejected. The beneficiaries from educational institutions are more aware about ESI scheme compared to other classes of beneficiaries in Malappuram district.

9.3. Satisfaction towards Employees' State Insurance

The test of ANOVA is used to find out whether there is any the significant difference in the satisfaction level towards ESI among the three classes of beneficiaries. The respondents could give their rating to various factors by using the Likert- Type scale. The typical likert type scale consists of various parameters indicating each parameter by quoting the priority numbers.ie.,

1. = dissatisfied
2. = Neutral
3. =satisfied

A. Independent variable - Occupation

1. Shops
2. Financial institutions
3. Educational institutions

B. Dependant Variables

1. Formalities
2. Locational proximities
3. Contribution towards premium
4. Behavior of staffs
5. Diagnostic facilities
6. Overall satisfaction

The results of the analysis are given below.

Table 6 :One way ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Formalities	Between Groups	.067	2	.033	.281	.756
	Within Groups	10.333	87	.119		
	Total	10.400	89			
Locational proximity	Between Groups	.156	2	.078	.319	.728
	Within Groups	21.233	87	.244		
	Total	21.389	89			
premium Contribution	Between Groups	.267	2	.133	.821	.443
	Within Groups	14.133	87	.162		
	Total	14.400	89			
Behavior of staff	Between Groups	.467	2	.233	.905	.408
	Within Groups	22.433	87	.258		
	Total	22.900	89			
Diagnostic facilities	Between Groups	.422	2	.211	.865	.425
	Within Groups	21.233	87	.244		
	Total	21.656	89			
Overall satisfaction	Between Groups	4.622	2	2.311	2.116	.127
	Within Groups	95.033	87	1.092		
	Total	99.656	89			

Source: Survey Data

Testing of Hypothesis 3

There is no significant difference among the employees in the shop, educational institutions, financing institutions with respect to their satisfaction level.

Based on the results above, it is clear that there was no statistically difference between the three classes of beneficiaries towards satisfaction of ESI scheme. It means that all the three classes of beneficiaries have almost same level of satisfaction. Their occupation does not influence their level of satisfaction. Hence, the hypothesis is accepted.

10. Findings of the Study in a Nutshell

All ESI hospitals are not multidisciplinary hospitals and the employees are not much satisfied with their services. Reimbursement of medical bill is a complex and time consuming process and the employed are not getting the refund of full amount spent by them. Sometimes the patients are waiting for long hours for consultation. Some ESI hospitals are facing the problem of lack of proper diagnosing facilities which forces the employees to depend private Labs/clinics. Moreover, the number of ESI dispensaries in Malappuram district is found quite insufficient to satisfy the requirements of employees. Working time of ESI hospitals does not match with working time of employees. In terms of services provided, private hospitals are better compared to government hospitals. There is no relation between occupational status of the employees and their satisfaction level towards ESI scheme. The respondents from educational institutions are more aware about the various ESI schemes.

11. Conclusions and Suggestions

ESIC has played a significant role in providing social security millions of workers in the organized sector. It is only social security organization in the country which provides insurance coverage for exigencies related to health, maternity, disablement, death and employment. The corporation thus extends complete social security cover to the workers and their family members. However, the working of ESI is not up to the expected level of the insured person from three sectors. Based on the findings of the study, the following suggestions are offered to improve the performance of ESI.

More number of ESI hospitals and dispensaries may be started in Malappuram district to satisfy the requirements of employees. The authorities ESI hospitals should concentrate more attention to provide better quality services to beneficiaries especially in the areas of basic diagnostic services, nursing, laboratory and sanitary services. It is found that in certain areas ESI dispensaries are functioning only up to noon. It causes inconvenience to employees as they are forced to avail leave from their workplace. Hence, the working time of the hospitals may be arranged according to the convenience of the employees. Similarly, the procedures and formalities in connection with the reimbursement should be simplified to the extent possible.

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