

Effectiveness of Employees' State Insurance Scheme among Employees in Cochin City

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ABSTRACT

Employee State Insurance is a self financing social security and health insurance scheme for Indian workers. The ESI Act applies to the non seasonal factories and non power using factories and establishments employing twenty or more persons. The employer and the employee contribute to the scheme for the benefit of employee. The ESI Act encompasses certain health related eventualities that the worker are generally exposed to such as sickness, maternity, disablement ,unemployment, death due to employment injury.

1. Introduction

Employees State Insurance is a self- financing social security and health insurance scheme for Indian workers. This fund is managed by the employees' State Insurance Corporation according to rules and regulations stipulated there in the ESI Act 1948. The ESI Act encompasses certain health related eventualities that the workers are generally exposed to, such as sickness, maternity, disablement, unemployment, death due to employment injury or occupational disease. The dependents of workers also get the medical care benefits. With the introduction of ESI Act the employers are freed from the obligations under the Maternity benefits Act, 1961 and Workmen's Compensation Act 1923. The various schemes under ESI provides full medical facilities to insured persons and their dependents, as well as cash benefits to compensate for any loss of wages or earning capacity in times of physical distress. While the insured persons are eligible for all social security benefits under the scheme, their dependents are eligible only for the medical benefit. In addition to insured workers, poor families eligible under the Rashtriya Swasthya Bima Yojana can also avail facilities in ESI hospitals and dispensaries.

ESI schemes are administered by a corporate body called Employees State Insurance Corporation, which has the members representing employers, employees, the Central government, State government, medical profession and the parliament. It is an autonomous corporation by statutory creation under ministry of Labour and Employment, Government of India. It confirms with International Labour Organisation (IOL) conventions which makes it a scheme global standing. The Director General is the chief executive office of the corporation.

The scheme was first implemented at Kanpur and Delhi on 24th February 1952. ESI is applicable to an employee who draws monthly wage up to Rs. 21000 from the existing Rs. 15000 for the coverage with effect from 1st January 2017. The

monthly wage excludes the overtime wages and such sections of wages of irregular nature. The employer contributes 4.75 percent and employee contributes 1.75 percent. However, employees earning less than Rs. 50 a day are exempted from payment of contribution, total 6.5 percent. State government share is 1/8th and that by central government is 7/8th.

2. Review of literature

- 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 care facilities was also increased.
- K J. Joseph (1988), secretary of Keltron Employee Association, Kerala, in a memorandum submitted to the Employee's State Insurance Corporation stated that medicines are not available in the ESI dispensaries, the reimbursement claims take many years to be settled, the standard of drugs used is poor and sometimes they lead to adverse reactions, the behavior of the doctors and staff towards the beneficiaries is not good and the ESIC dispensaries and hospitals are not maintained hygienically. He suggested that the corporation should examine the feasibility of not deducting the two days sickness benefit and the coverage under the ESI schemes should be made voluntary.

- G. Muthulakshmi (2014) conducted a study on Performance of ESI schemes with special reference to Tutricorin district, Tamil Nadu. The objectives of the study were to analyze the perception of employees on ESI hospitals and to analyze the working of ESI Corporation. The primary data were analyzed with help of various statistical measures such as simple percentage analysis, F- statistic, Chi-square test, Garrett ranking. The study found that ESI hospitals were not functioning up to the satisfaction of the insured persons. It also gives the scope to improve its functioning and turn into a highly trust full and reliable corporation, through implementing better services.
- Dr. B. Vijayachandran Pillai and Divya. M (2014) conducted a study on "An assessment of awareness and satisfaction on ESI schemes in Kerala". The study was conducted among the insured employees in Malapuram district. Three classes of beneficiaries from shops, financial institutions and educational institutions are taken as respondents. The objective of the study was to assess the level of awareness and satisfaction of beneficiary employees towards ESI schemes in Kerala. The study revealed that the reimbursement of the medical bill is a complex and time consuming process and the employees 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 facilitating the problem of lack of proper diagnosing facilities which forces the employees to depend private clinics. Moreover, the number of ESI dispensaries in Malappuram district is found quite insufficient to satisfy the requirements of the employees. There is no relation between occupational status of the employees and their satisfaction level towards ESI schemes. The respondents from the educational institutions are more aware about the various schemes.

3. Statement of the problem

The Employee State Insurance scheme of India is a major multi-dimensional social insurance programme. ESI schemes are aimed at upholding the employees and their dependents at the time of health issues and helping the employee to retain the continuity of their work life. Our modern day to day life style bears more health risks. ESI schemes are very beneficial to low income earning people for their medical care. Now almost all people have better standard of living and sufficient income. Most of the insured employees are not utilizing the benefits of ESI as the quality of services provided made a discontent among employees. And also the benefits under the ESI schemes are not available in all hospitals. This study attempts to find effectiveness of ESI schemes among employees in Cochin City.

4. Objectives

- To analyze the effectiveness of the benefits of ESI schemes.

- To assess the level of satisfaction of employees towards ESI schemes.
- To analyze the quality of services provided in ESI hospitals.

5. Methodology

Data was collected from the ESI insured employees in Cochin City. Primary data was collected from (120) samples of respondents through questionnaire among insured employees of ESI. Respondents will be selected on the basis of convenient sampling. Secondary data is collected from published sources.

6. Hypothesis

1. Ho: There is no significant difference between socio economic factors and the level of satisfaction of benefits utilized among beneficiaries.
2. Ho: There is no significant difference between socio economic factors and level of satisfaction regarding the quality of service provided in ESI hospitals.

7. Results

Table-1
Profile of the sample

Variable	Category	Frequency	Percentage
Gender	Male	54	45
	Female	66	55
	Total	120	100
Age	Below 30	16	14
	30-40	46	38
	40-50	40	33
	Above 50	18	15
	Total	120	100
Educational qualification	SSLC	14	12
	Plus two	42	35
	Degree	54	45
	Others	10	8
	Total	120	100
Occupation	Textile shop	50	42
	Company	30	25
	Factory	40	33
	Total	120	100
Salary	10000-15000	76	63
	15000-21000	44	37
	Total	120	100
Period of service	Less than 1 year	24	20
	1- 5 years	42	35
	5- 10 years	26	22
	Above 10 years	28	23
	Total	120	100
Place of residence	Urban	70	58
	Rural	50	42
	Total	120	100

Source: Survey Data

Table- 2
Benefits utilized by the respondents

Benefits	Frequency	Percentage
Sickness benefit	42	35
Medical benefit	78	65
Maternity benefit	0	0
Disablement benefit	0	0
Retirement benefit	0	0

Total	120	100
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Source: primary data

The table shows that 45% respondents were male and 55% were female. 14% of the respondents were below the age of 30 years and majority of the respondents were between the age group of 30-40 years i.e., 38%. Majority of the respondents were graduates i.e. 45% and 35% were SSLC qualified respectively. 42% respondents work in textile shop, 25% in company and 33% in factory respectively. Majority of the respondents earns salary between Rs. 10000 to 15000 i.e. 63%. The respondents who have a period of service between 1 to 5 years (35%) are the major beneficiaries of ESI benefits.

Table -3

Awareness about the procedure for claiming the benefits

Awareness	Frequency	Percentage
Fully aware	20	17
Partly aware	46	38
Not aware	54	45
Total	120	100

Source: primary data

It is clear from the analysis that 17% of insured employees are fully aware about the procedure for claiming the benefits under ESI scheme. 38% of the insured employees are partially aware and majority of the insured employees that is, 45% are not aware about the procedures for claiming the benefit.

Table -4
Satisfaction of benefit utilized

Level of satisfaction	Frequency	Percentage
Satisfied	60	50
Partially satisfied	48	40
Not satisfied	12	10
Total	120	100

Source: primary data

The survey shows that 50% of the insured employees are satisfied with the benefits they have utilized under the ESI scheme, 40% of the insured employees are partially satisfied and 10% of the insured employees are not satisfied with the benefit they have utilized.

Table -5
Quality of service in ESI hospital

Services	very poor		poor		moderate		good		very good		percentage
	no:	%	no:	%	no:	%	no:	%	no:	%	
medicines	6	5%	-	-	16	13%	38	32%	60	50%	100%
diagnostic services	-	-	2	2%	40	33%	38	32%	40	33%	100%
nursing	-	-	6	5%	50	42%	28	23%	36	30%	100%
opinion on bed availability	4	3%	26	22%	48	40%	28	23%	14	12%	100%
sanitary services	4	3%	18	15%	38	32%	36	30%	24	20%	100%

Source: primary data

50% of the beneficiaries say that the medicines provided in the ESI hospitals are very good. Respondents have a good response regarding the diagnostic services provided by the ESI dispensaries. The majority of the respondents have a moderate

response towards nursing which is 42%. Moderate responses are given for availability of bed and sanitary services that is 40% and 32% respectively.

Table -6
Satisfaction with quality of services in the ESI hospitals

Level of satisfaction	Frequency	Percentage
Satisfied	60	50
Partially satisfied	54	45
Not satisfied	6	5
Total	120	100

Source: primary data

From the survey it is found that 50% of the insured employees are satisfied with the quality of services in ESI

hospitals, 45% of them are partially satisfied and only 5% of the insured employees are not satisfied.

Table-7
Monetary benefit from the scheme

Variable	Frequency	Percentage
Salary payback	34	28
Hospital expenses	74	62
Both	12	10
Total	120	100

Source: primary data

From the survey it is inferred that 62% of the employees have received only the hospital expenses in utilizing the benefit, 28% of the employees have got the salary payback

and only 10% of the employees got the both of the benefits at the time of treatments.

Table-8
Delay in disbursing the benefit

Delay	Frequency	Percentage
High	40	33
Moderate	50	42
No delay	30	25
Total	120	100

Source: primary data

The analysis reveals that, 42% of the employees say that there is moderate delay in disbursing the benefit, 33% of the employees say that there is high delay and 25% of the employees say that there is no delay in disbursing the benefit.

Table-9
Association between socioeconomic factor and level of satisfaction of ESI benefits

Variables	Chi-square	P- value	Inference
Age	17.6854	.007069	significant
Gender	18.9226	.000078	significant
Educational qualification	33.3905	.00001	significant
Occupation	.9692	.914435	Not significant
Salary	7.4821	.02373	significant
Period of service	26.8111	.000157	significant
Place of residence	24.0171	.00001	significant

Source: primary data

The analysis reveals that there is significant difference between level of satisfaction regarding the benefit utilized among the beneficiaries and socio economic factors like age, gender, educational qualification, salary, period of service and

place of residence. So we reject the null hypothesis. But there is no significant difference between level of satisfaction regarding the benefit utilized among the beneficiaries and occupational status. So we accept the null hypothesis.

Table-10
Association between socio economic factors and the level of satisfaction regarding the quality of services in the ESI hospitals

Variables	Chi-square	P- value	Inference
Age	11.7158	.068618	Not significant
Gender	2.1624	.339194	Not significant
Educational qualification	7.0053	.320358	Not significant
Occupation	6.003	.198927	Not significant
Salary	0.0319	.984178	Not significant
Period of service	13.1957	.040031	significant
Place of residence	6.7505	.03421	significant

Source: primary data

The analysis reveals that there is no significant difference between level of satisfaction regarding the quality of services provided in the ESI hospitals among the beneficiaries and socio economic factors like age, gender, educational qualification, occupation and salary. So we accept the null hypothesis. But there is significant difference between the level of satisfaction regarding the quality of services provided in the ESI hospitals among the beneficiaries and socio economic factors like period of service and place of residence. So we reject the null hypothesis.

8. Conclusion

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 undertaken 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 providing 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.

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