

Effective Utilization of Employee State Insurance (ESI) Policy at E-Publishing Sector

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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 irrespective of the premium contribution. The purpose of the study is to analysis the awareness and satisfaction with the level of Utilization 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.

Index terms— ESI, employee satisfaction, social security benefits.

1 Introduction

he promulgation of the ESI Act by the Parliament in 1948 was the first major legislation on social security for workers in India. The Act envisages protection to workers in the organized sector in the case of sickness, maternity and death or disability due to injury at work. Based on the principle of pooling of risks and resources, this health insurance scheme provides medical facilities to beneficiaries and cash compensation for loss of wages or earning capacity while in service. The ESI Act applies to non-seasonal factories or manufacturing units employing ten or more people in a power using factory and twenty or more people in a non-power using factory. Employees drawing wages of up to Rs.10,000 per month (as on Jan 2009) are currently entitled to a health insurance scheme. However the wage ceiling for the purpose of coverage is revised from time to time. To increase the coverage the ESI Act has also been extended gradually to other establishments such as shops, hotels and restaurants, road and motor transport undertakings, newspaper establishments and cinema halls. The ESI Act however, is not applicable to factories or establishments run by the State Governments/Central Government whose employees receive other social security benefits.

Under the ESI scheme, employees contribute 1.75% of their wages and the employers contribute 4.75% of the wages of eligible beneficiaries/employees towards premium payments. Employees earning less than Rs. 50 per day are exempted from contribution towards premium payments. The contributions made by the employees and the employers are deposited in a common pool known as the ESI Fund, which is used for meeting administrative expenses as well as cash and medical benefits to insured persons (IP) and their dependents. The state governments, as per the ESI Act, contribute 12.5% of the total expenditure (within the per capita ceiling of Rs.1000 per annum) incurred by the ESIC on medical care in respective states.

2 II.

3 Review of Literature

A.J Patel (1972), Secretary to the Government of Gujarat, in a letter to the Member-Secretary, Committee on Perspective Planning, Employees' State Insurance Corporation, New Delhi, pointed out that the standard of medical care provided under the Employees' State Insurance Scheme is at present low on account of inadequate ceiling prescribed by the Employees' State Insurance Corporation. If the Government of India starts contributing

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towards the Employees' State Insurance Scheme, it may be possible to improve the standard. He also mentioned that in view of the restraint on the financial resources of the State Government, it is not possible for it to agree to give financial assistance to the Employees' State Insurance Corporation by way of grants/loans for the construction program.

K. ??ohanachandran (1972), Secretary to the Government of Kerala, in a letter to the Member-Secretary, Committee on Perspective Planning, the Employees' State Insurance Corporation, New Delhi, pointed out that it may not be possible for the State Government to give financial assistance to the Employees' State Insurance Corporation. The financial assistance in the form of grant or loan may come from the Central Government. He also suggested that the 'No claim bonus scheme' is to be introduced very soon. This will be an incentive to those employees who do not avail of any benefit under the Employees' State Insurance Scheme.

K.V. Rajappan Nair (1988), Director, Employees' State Insurance Corporation Regional Office, Trichur, Kerala commented that the level of utilization of physical infrastructure available in various hospitals and dispensaries under the Employees' State Insurance Scheme in Kerala is very low due to factors such as increase in administrative expenses per insured person, non-availability of specialists and non-availability of any arrangement for availing the service of qualified known part-time specialists. Even the equipment provided in the hospital is not being maintained properly, thereby causing difficulties in providing better service to the Employees' State Insurance beneficiaries.

G.K. Suresh Babu (1990) stated that the authorities of the ESI Corporation consider the ESI Scheme as a sort of industry driven primarily by profit motive, whereas it has to be regarded essentially as a great social security Scheme. Consequently, the authorities are keen on reducing amenities and benefits available to employees. This is obvious when we examine the statistics released by the Corporation itself. In the financial year 1987-88, the Corporation had sanctioned Rs.62.68 lakhs in the category of monetary benefits to employees that was reduced to Rs.53.89 lakhs in 1988-89:Percentage-wise, the beneficiaries were reduced from 1 to 0.88. In fact, the National Institute of Health and Family Welfare, after a comprehensive study in 1985 had recommended a minimum of Rs.300 yearly, subject to 15 percent increase every succeeding year, to every employee for health care.

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 "labor has been all along complaining about the poor quality of medical benefits under the Employees' State Insurance Scheme. The medical services are run by the State Government hospitals. These hospitals are qualitatively poor. I would appeal to ESI Corporation to directly run its own hospitals all over the country to provide better treatment". He had also suggested if the Employees' State Insurance Corporation were not in a position to run the hospitals in a professional manner, the Corporation must grant exemption liberally wherever the workers and the employers jointly approach for such exemption.

B.K. Gupta (1997), former Insurance Commissioner of the Employees' State Insurance Corporation, pointed out that the Employees' State Insurance Scheme is the country's major multidimensional social insurance programme that has over the last four and a half decades emerged as the largest social security set up in South-East Asia with a phenomenal coverage and an infrastructure that has no parallel. The ESI Act as on date is applicable to over two lakhs industrial units, across the length and breadth of the country. In the ESI Scheme, employer is the only link between the administrative machinery and its service system on one hand and the workers on the other hand. The admissibility and straight flow of benefits to the deserving is, by and large, determined by the level of employers' involvement in this welfare measure, and its functional aspects.

S. ??thomas (2005), the editor of 'ESI Samachar', says despite all the endeavors made by the Corporation for the effective functioning of the ESI Scheme in the country, the public perception of the Corporation has not been very positive. The Employees' State Insurance Corporation is a service organization and admittedly, there are pockets of inefficiency, which, to a certain extent, is expected as well. Improving the quality of service at the ground level as is demanded in all for a of discussions is a must. A mechanism should be devised to gauge the satisfaction level of the beneficiaries so that performance gaps are identified and remedial measures taken.

G. Muthu Lakshmi (2014) conducted a study on the performance of Employees state insurance scheme with special reference to Tuticorin district, Tamilnadu. 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. The following will be data analysis and interpretation using chi-square and correlation technical calculation proceeding as follows: a) Chi-Square Analysis Marital status and Every Employee utilizes the ESI policy at least once in a year. Hypothesis H0 -There is no relationship between marital status and every employee utilizes the ESI policy at least once in a year. H1-There is relationship between marital status and every employee utilizes the ESI policy at least once in a year.

4 III.

5 Need for the Study

6 Research Methodology

The process used to collect information and data for the purpose of making business decision. The methodology may include publication research, interview, survey, and other research technique and put include both present and historical information. "A research design is an arrangement of condition for collection and analysis of data in a manner that aims to combine relevance to research purpose with economic in procedure". Descriptive research studies are those studies which are concentrated with delivery the characteristics of a particular individual group. A descriptive research studies is concentrated with specific prediction with narration of facts and characteristics concerning individual group or situation. A group of individuals that share one or more characteristics for which data can be gathered and analyzed is population there are total 200 employees working in the organization. An optimum sample is one which fulfills the requirement of efficiency, representativeness, reliability, and flexibility. Size of the sample was taken 137. The Tools to be used in the study is Chi-Square and Correlation analysis.

7 VI.

8 Data Analysis and Interpretation

Demographic profile of the respondents is as follows: b) Correlation Analysis It is to analyses of correlation between Need of the employee state insurance policy and all employee fulfilled with the ESI policy in my company. From the table 6.3, it is clear that the organization fulfills employee needs towards ESI policy is highly correlated with a correlation coefficient value of 0.029 and there is positively correlated. From the correlation analysis, it is inferred that the organization is perfectly fulfilling employee need towards ESI policy. It is to analyses of correlation between rate the level of utilization of ESI policy and avail of benefits. From the table 4.8, it is clear that the organization doesn't give much preference towards ESI policy is not correlated with a correlation coefficient value of -0.186 and there is negatively correlated. From the correlation analysis, it is inferred that the organization is not gives proper preferences towards ESI policy.

9 c) Finding of the Study

The study was make to found that the employee of the company are not fully educated about the Employee state Insurance (ESI) policy and the Employee are not fully benefited and from the study we found that Using Chi-Square analysis, there is relationship between marital status and every employee utilizes the ESI policy at least once in a year. From the correlation analysis, it is inferred that the organization is perfectly fulfilling employee need towards ESI policy. Hence still need to focus on the utilization an Employee State Insurance (ESI) policy with the employee to make them attach with the organizations profit maximization.

10 d) Suggestion and Recommendation

? The company need to focus under the benefits of Employee State Insurance (ESI) policy to the Employee of the company. ? The Employee should be properly educated under the Employee State Insurance (ESI) policy. ? The Involvement in this Employee State Insurance (ESI) policy will have an impact under the productivity scale.

11 Conclusion

"The organization will be healthy only when the Employee and the Organization together have a growth From the SPSS output, it is generated that the significant value is less than 0.05, therefore null hypotheses is rejected and alternate hypotheses is accepted . In the above obtained result value is 0.022 so, reject the null hypothesis .hence, there is relationship between marital status and every employee utilizes the ESI policy at least once in a year. so that it will be Healthy Organization". 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. ^{1 2}

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Particulars	2: Tabulation of Pearson Chi-Square Test Value df Asymp. Sig. (2-s		
Pearson Chi-Square	11.494 a	4	.022
Likelihood Ratio	11.853	4	.018
Linear-by-Linear Association	1.332	1	.248
N of Valid Cases	133		

[Note: Marital status and Every employee utilize the ESI policy at least once in a year.]

Figure 1: Table 6 .

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fulfilled with the ESI policy in my company		Need of the	All employee
Particulars		employee	fulfilled
		state	with the ESI
		insurance	policy in
		policy.	my company.
Need of the employee	Pearson Correlation	1	.029
	Sig. (2-tailed)		.740
state insurance policy.	N	133	133
	Pearson Correlation	.029	1
All employee fulfilled with	Sig. (2-tailed)	.740	
the ESI policy in my com-			
pany.	N	133	133

Figure 2: Table 6 .

6

4: Tabulation of Correlation			
Particulars	Rate the level of utilization of ESI policy is high in company.	Insured person under ESI policy avails the super-specialty treatment.	
Rate the level of utilization of ESI policy is high in company.	Pearson Correlation	1	
	Sig. (2-tailed)	-.186 *	.032
	N	133	133
Insured person under ESI policy avails the super-specialty treatment.	Pearson Correlation	-	1
		.186 *	
	Sig. (2-tailed)	.032	
	N	133	133

Figure 3: Table 6 .

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