

# A STUDY ON AWARENESS AND EFFECTIVE UTILIZATION OF ESI BENEFITS AMONG EMPLOYEES IN ONE OF THE LEADING HOSPITALS IN BANGLORE

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**Abstract** - Employees' State Insurance Act (ESI Act), lapsed Parliament in 1948, was the primary important piece of social insurance legislation in independent India. The hospital not only majorly focuses on its customers but also treats its employees equally with a great heart by providing them certain facilities which would give them a sense of job securities, at the place they are working. Providing the health facilities for employees as well as their dependents not only motivates them to work but also helps the organization retain their staffs for a longer period of time. This paper explores the awareness and effective utilization of ESIC benefits in the workplace within the selected hospital. A questionnaire was framed and circulated to the employees of that hospital in order to study their extent of awareness and utilization on the benefits. The expected outcome of this paper is the improvement in already existing policy and framing of new policies and increasing the rate of awareness through different modes. The findings are also expected to pave the way for future research work.

threshold limit for coverage of establishments continues to be 20.

## A. ELIGIBILITY FOR ESIC INSURANCE

The requirement is an employer-employee relationship in which the employer is expected to deduct from the wages of the employee, add his own contribution and make the payment to the ESIC. Thus, self-employed persons, e.g., people in the service industry, those who run auto-rickshaws, street vendors, etc., are not covered.

Employees Gross earning not more than Rs 21, 000 per month are presently entitled to it. They contribute 0.75% of their salary and the employers contribute 3.25% of the employees' salary. The state government also contributes 1/8th share of the cost of medical benefit. ESI gives unlimited treatment for the person and the family.

## B. BENEFITS UNDER THIS ACT

- 1. Medical Benefit** : Full medical care is provided to an Insured person and his family members from the day he enters insurable employment.
- 2. Sickness Benefit** : Sickness Benefit in the form of cash compensation at the rate of 70% of wages is payable to insured workers during the periods of certified sickness for a maximum of 91 days in a year.
- 3. Maternity Benefit** : Maternity Benefit for confinement/pregnancy is payable for 26 weeks, which is extendable by further one month on medical advice at the rate of full wage subject to contribution for 70 days in the preceding Two Contribution Periods.
- 4. Disablement Benefit**: Insured employees, who are disabled temporarily or permanently (partial or total) due to employment injury or occupational diseases are entitled to get the cash benefit under this head.
- 5. Dependents Benefit**: Dependents Benefit is paid at the rate of 90% of wage in the form of monthly payment to the dependents of a deceased Insured person in cases where death occurs due to employment injury or occupational hazards.

**Key Words** : ESIC, Social Insurance, Awareness, Utilization of schemes.

## 1.INTRODUCTION

The ESI Act, 1948, encompasses certain health related eventualities that the workers are generally exposed to; like sickness, maternity, temporary or permanent disablement, disease or death because of employment injury, leading to loss of wages or earning capacity-total or partial. Social Security provision made within the Act to counterbalance the resulting physical or financial distress in such contingencies, are thus, aimed toward upholding human dignity in times of crises through protection from deprivation, destitution and social degradation while enabling the society the retention and continuity of a socially useful and productive manpower. The Employees' State Insurance Scheme is an integrated measure of social welfare embodied within the Employees' State Insurance Act and it's designed to accomplish the task of protecting 'employees' as defined within the Employees' State Insurance Act, 1948 against the impact of incidences of sickness, maternity, disablement and death because of employment injury and to produce treatment to insured persons and their families. The ESI Scheme applies to factories and other establishments i.e., Road Transport, Hotels, Restaurants, Cinemas, Newspaper, Shop, and Educational/Medical Institutions wherein 10 or more persons are employed. However, in some States

**C. OBJECTIVES OF THE ACT:**

The objective of the act is to secure sickness, maternity and medical benefits to employees of factories and establishments and dependents benefits to the dependents of such employees.

The objectives of the study includes,

1. To understand the level of Awareness among employees towards Employee State Insurance (ESIC) Policy.
2. To evaluate the level of utilization of Employee State Insurance (ESIC) Policy by the employees.
3. To suggest measures to improve the employee awareness on ESIC benefits.

**II. LITERATURE REVIEW**

According to Dr. A. Ananda Kumar , Dr. D. Porkalai & Mr. A. Savio Arokiadass (2018), "The organization will be healthy only if the employee and the organization both grow in order for the organization to be healthy." Employees should be aware of the Employee State Insurance (ESI) policy because it benefits medically strong employees. According to the findings, the majority of employees are unaware of the ESI policy. As a result, more emphasis should be placed on increasing awareness of and familiarity with the ESI policy, which will contribute to increased productivity in a healthy organization.

According to Dr. M. Prakash, M. Ragavi (2020), In the midst of modern life's pain and strain, social security policies have provided a sense of stability and production. The ESI programme is funded by the ESI fund, which is made up of contributions from employers and employees, as well as grants, donations, and gifts from the federal, state, and local governments. Only when the employee and the organisation work together to grow will the organisation be healthy.

According to Ms.Arthi, R.R. Israel (2020), Only when the organisation and its employees grow together will the working environment be healthy, resulting in a healthy organisation. Employees should pay more attention to ESI policy awareness and implementation. Employers must educate employees so that they do not form erroneous opinions about employee state insurance.

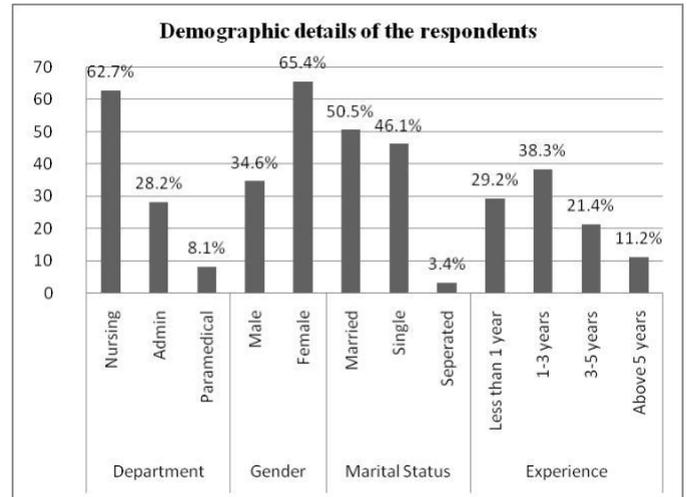
**III. METHODOLOGY**

This is an exploratory research that aims on the employees of the selected hospital and their awareness and effective utilization of ESIC benefits in their hospital. The simple random sampling is used in order to collect data. About 1000 employee were present in the hospital and by considering the Morgan's table with 95% confidence and 5% error, 295 data was collected. For this purpose, a questionnaire has been designed, making sure that the research questions do justice to what the researcher is trying to find and to provide the direction and shape of the research. Accordingly the survey tool is a structured

questionnaire divided into two parts. The first part includes the demographic questions such as gender, experience, marital status etc. and the second part is composed of fifteen questions that test the employee awareness.

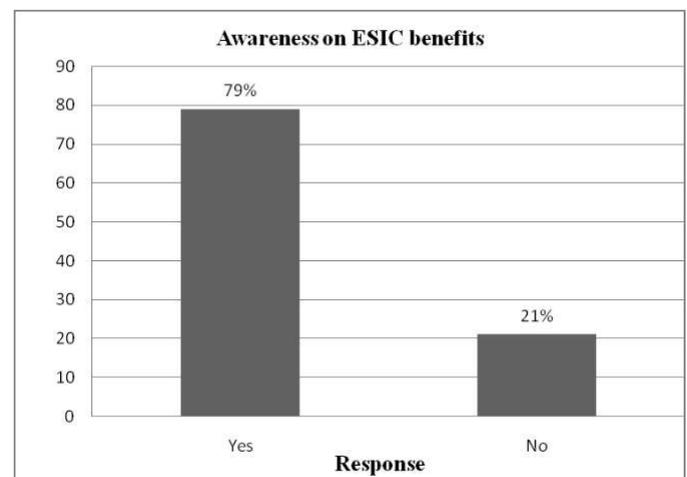
**IV. ANALYSIS**

**Chart I Chart showing demographic details of the respondents**



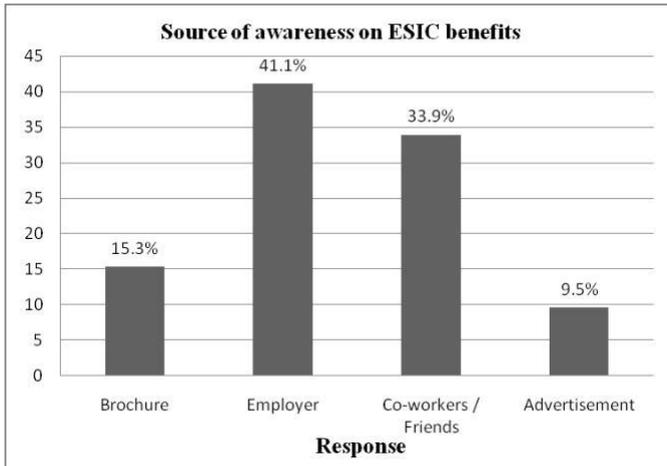
The above chart-I shows that three departments that include nursing, admin and paramedical has participated in the study. It is also evident that 65.4% of female employee and 34.6% of male employee has participated. About 50.5% of the employee who participated in the study are married and 46.1% are single. In this study, the employee who has less than 1 year work experience (29.2%) has participated more when compared to 1-3 years (38.3%) and 3-5 years (21.4%) experienced.

**Chart -II Chart showing the awareness of the respondents on the existence of anti-sexual harassment committee**



From the chart – II, it is evident that about 52.88% i.e. majority of the employee working in that hospital has very well awareness on the ESIC benefits and only about 47.12% has claimed that they don't have any idea on the ESIC benefits .

**Chart -III Chart showing the respondent’s opinion for the question, “Source of awareness on ESIC benefits”**



From the chart-III, it is evident that about 41.1% i.e. majority of the employees source of awareness is through employer and 33.9% of the employees awareness through co-workers.

**Table-I showing the difference between the gender of the response and awareness towards ESIC benefits**

Awareness	Sum of Squares	df	Mean Square	F	Sig.
Between					
Within					
Total	48.969	294			

In the following interpretation, H denotes “Hypothesis”

H0: There is no difference between the gender and the level of awareness.

H1: There is difference between the gender and the level of awareness.

From the above table, the significant value is .010, which is less than .05, hence we reject H0 and accept H1. Thus, we prove that there is difference between the gender of the employee and their level of awareness towards ESIC benefits.

**V. MAJOR FINDINGS & RECOMMENDATIONS**

- ❖ Majority, 65.4% of the respondents were female and only about 34.6% were male. This shows that women are more interested to claim ESIC benefits than men.
- ❖ About 57.3% of the employees are aware of employee and employer contribution and 42.7% of the employees are not aware of the contribution.
- ❖ About 55.6% of the employees are aware that their family members can also avail the medical benefits and 62% of the employees feel the process of claiming ESIC benefits is complex.

The recommendations include,

- ❖ The posters describing the policies of ESIC schemes and its benefits can be displayed in the main areas of the hospital in order to create awareness among the employee.
- ❖ The organization still is required to make its employees become aware of what exactly does the ESIC Scheme stands for and should also introduce different ways in making its employees understand the importance of having an ESIC Scheme.
- ❖ Employee’s opinion while conducting the ESIC awareness program or induction has high positive impact on employees’ awareness at the later stage. By doing so the employees feel that they are a part of the organization. So it would be wise if the organization considers such suggestions from the employees.

**VI. CONCLUSION**

ESIC has played significant role in providing Social Security to a lot of workers within the organized sector. It's only social insurance organization within the country provides coverage for exigencies associated with health, maternity, disablement, death and employment. The corporation thus extends social insurance among the workers and their relations. Employees state insurance scheme are beneficial to employees and that they have a positive impact on the workers. Government has taken appropriate steps towards the welfare of the staff but it should also take necessary steps to increase the advantages to any or all private sector employees. Employees’ state insurance scheme needs to enhance their services to satisfy the challenges and demands of the changing environment. The essence of this scheme is beneficiaries’ satisfaction and also the notice about this act to the workers is crucial in today’s world. the target of the study is to know the attention of the ESI act among employees. From this study is revealed that the most number of workers is aware and satisfied with the services provided by the ESI and also the majority of the workers are utilizing the advantages.

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