

OPEN ACCESS

Volume: 11

Special Issue: 1

Month: September

Year: 2023

E-ISSN: 2582-6190

Received: 29.07.2023

Accepted: 04.09.2023

Published: 21.09.2023

Citation:

Stephen Jeyaraj, A., and NM Mekala. "Analysis of Subscribers' Perception Towards ESI Benefits, Services and Problems with Special Reference to Madurai City." *ComFin Research*, vol. 11, no. S1, 2023, pp. 80–85.

DOI:

<https://doi.org/10.34293/commerce.v11iS1-Sep.8479>



This work is licensed under a Creative Commons Attribution-ShareAlike 4.0

Analysis of Subscribers' Perception Towards ESI Benefits, Services and Problems with Special Reference to Madurai City

A. Stephen Jeyaraj

*Reg. No: P4064, Research scholar
Madurai Kamaraj University, Madurai
Arul Anandar College, Karumathur, Madurai*

Dr. N. M. Mekala

*Assistant Professor, Research supervisor
Department of Commerce and Research Centre
Sourashtra Collge, Madurai*

Abstract

The benefit scheme of Employees' State insurance Corporation of India has a vital role in influencing the subscribers to avail such benefits. It is to be instructed that though the employees contribute to the ESI fund as a deduction from their salary, some of them may be ignorant of their purpose. The reason is that there is no enough awareness on the part of the employees. Thus the utilization of the ESI benefit schemes depends upon the workers awareness of such schemes. It depends upon the age, gender, education, occupation and years of services of the employees. The awareness level differs from person to person.

Introduction

Advancement in science and technology has brought about a revolutionary change in man's life. It reduced mortality rates and increased in the life span but at the same time has given rise to a number of other ills. Increasing pollution levels especially in metros, stress and strain at work place, cut throat competition, taking its role are the same of the harsh reliabilities. When an individual is going to his place of work has to spend long hours in queues, inhaling the vehicular emissions of poisonous carbon monoxide gases affecting his health in long run, besides accidents on roads are a common feature. In such instances, timely affordable medical help in the need of the hour. In such circumstances, the only solution available for them is health insurance. The drive for security is one of the basic motivating forces determining the human attitudes.

Employers in both the public and private sector offer employer – based on insurance schemes through their own employer – managed facilities by way of lump sum payments, reimbursement of employee's health expenditure for outpatient care and hospitalization, fixed medical allowance, monthly or annual irrespective of actual expenses or covering them under the group health insurance policy.

The promulgation of Employees' State Insurance Act, 1948, by the parliament is the major legislation on social security for workers in Independent India. The Scheme is based on the principle of 'Pooling of risks and resources' in which every contributor, at any given point of time emerges as a beneficiary or a benefactor and society at large is the net gainer. Employees, employers, State Governments and the corporation are the major stake holders in the system of organized and coordinated effort providing social protection to the benefactors.

This Scheme provides protection to employees against loss of wages due to inability to work due to sickness, maternity, disability and death due to employment injury. It offers medical and cash benefits, preventive and promote care and health education. Medical care and health and their family members without fee for service. Risk is the basis of insurance. Any risk bearing object needs to be insured so as to cover its unexpected losses caused by uncertain events. Education plays an important role in shopping the society to create a wealthy and healthy society. There is a need to study the benefits and services offered by ESI.

Objectives

- To highlight various schemes and benefits available to ESI subscribers.
- To study and analyze the perceptions and profile of the respondents.
- To analyses the respondents of ESI subscribers with special reference of college employees.

Methodology

The secondary data were collected from ESI Books, Journals, Magazines and the related web sites and the primary data were collected from the subscribers of ESI with special reference to College employees, Madurai city.

Benefits to Employees

The social security convention No: 102, of the international labor conference on 28.5.1952, defined nine branches of social security benefits for the welfare of labor class. In India, as a follow up measure for protection of workers in times of physical and economic distress, the Employees' State Insurance Corporation has already adopted and extended five major benefits to the insured workers.

- Medical benefits - for self and family
- Sickness benefits - for self
- Maternity benefit – for self
- Disablement benefit –
- Temporary disablement benefits – for self
- Permanent disablement benefits - for self
- Dependent's benefits – for dependents in case of death of workers due to employment injury.

It is known fact that there is no significant and systematic study on the attitude towards ESI benefits and services of college employees in Madurai Districts. Hence, it is necessary to undertake the study.

Employees' State Insurance Coroporation Scheme

Representatives' State Protection Company Plan was introduced in Kanpur on 24th February 1952 by then State leader Pandit Jawahar Lal Nehru. This plan was all the while sent off at Delhi also and the underlying inclusion for both the focuses was 1, 20,000 workers. Our most memorable State leader was the principal privileged protected individual of the Plan.

At the outset, the Workers' State Protection Plan was carried out at only two modern habitats in the country in 1952, in particular Kanpur and Delhi. There was no thinking back from that point forward with regards to its geographic reach and segment inclusion

The Workers' State Protection is a coordinated proportion of Social Protection encapsulated in the Representatives' State Protection Act and it is intended to achieve the errand of safeguarding 'representatives' as characterized in the Workers' State Protection Act, 1948 against the effect of frequencies of ailment, maternity, disablement and demise because of business injury and to give clinical consideration to guaranteed people and their families

The ESI Plan applies to industrial facilities and other foundation's viz. Street Transport, Lodgings, Eateries, Films, Paper, Shops, and Instructive/Clinical Foundations wherein at least 10 people are utilized. In any case, in certain states, as far as possible for inclusion of foundations is as yet 20 workers. The Representatives' State Protection Partnership has broadened the advantages of the safeguarded laborers conveyed on the building destinations situated in the carried out regions under ESI Plan w.e.f. first August, 2015. The ESI Company has chosen to raise the compensation roof for inclusion of representatives under the ESI Act from Rs. 15,000/- to Rs. 21,000. The execution of the ESI Plan is done on a region wise premise. Right now, the ESI Plan is advised in 611 locale.

The ESI Plan is funded by commitments from managers and representatives. The pace of commitment by manager is 4.75% of the wages payable to workers. The workers' commitment is at the pace of 1.75% of the wages payable to a representative. Workers, procuring not as much as Rs. 137/- a day as everyday wages, are excluded from installment of their portion of commitment.

Review of the Literatures

Sneha Sasidharan and Dr.T.G. Manoharan in their article titled "Employees' Awareness and Utilization towards Employees' State Insurance Scheme with special reference to Thrissur city" have concluded that Esic has played significant role in providing social security to 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 social security among the workers and their family members. Employees state insurance scheme are beneficial to employees and they have a positive impact on the employees. Government has taken appropriate steps towards the welfare of the employees but it should also take necessary steps to extend the benefits to all private sector employees.¹

Vianey S C , Manoj Kumar NV in their article titled "Employee State Insurance in India" have found that this study shows the performance of employee state insurance in India. It is focused on medical contingencies, such as sickness, maternity, death or disablement due to employment injury and occupational disease.ESI has the largest medical infrastructure in India like 150 ESI hospitals, 1372 ESI dispensaries. They also found when they compared to the last four years ,there were a number of insured persons and beneficiaries increased in 2017. There are 293.21 lakhs employees covered under ESI scheme.²

Sai sowmiya .S and Dr. N. Kumar in their article titled "Awareness and effective Utilization of Employees State Insurance benefits in TATA International" have concluded that The working environment will be healthy only when the organization and the Employees together have a growth so that it will be healthy organization. Employees need to focus on awareness and utilization of ESI policy more familiar. Employees have to provide proper awareness to employee state insurance. Social security measures have introduced an element of stability and production in the midst of distress and strain of modern life. The ESI scheme is financed by the ESI fund consisting of contributions from employers, employees, grants, donations and gifts of central and state governments and local authorities. The organization will be healthy only when the employee and the organizations together have a growth so that it will be healthy organization.³

From this study it is founded that maximum number of workers are aware and majority of the workers are utilizing the benefits of ESI service.

1. Sneha Sasidharan and Dr.T.G. Manoharan “Employees’ Awareness and Utilization towards Employees’ State Insurance Scheme with special reference to Thrissur city” Assistant Professor of Amrita School of Arts and Science, Cochin, 2021, P6771
2. Viany S C , Manoj Kumar NV “Employee State Insurance in India” Department of Management Sciences, Maharaja Institute of Technology, Mysure. 2018, P. 512
3. Sai Sowmiya.S and Dr. N. Kumar “Awareness and Effective Utilization of Employees State Insurance benefits in TATA International” Department of MBA, Sathyabama Institute of Science and Technology, Chennai, 2021 P.c108 –c109

Profile of Respondents

Gender and Subscribers’ Perceptions towards ESI benefits and Services

A test of significance of difference on the Two groups based on the Gender of the respondents was conducted through F test.

H₀: There is no significant difference between the Gender of the respondents and Subscribers’ Perceptions towards ESI benefits and Services

Table 1 Gender and Subscribers’ Perceptions towards ESI Benefits and Services

Sources of variance	Sum of squares	Degrees of freedom	Means square	“F” value	Sig.
Between sample	1.480	7	.211	.850	.549
Between sample	1.480	7	.211		
Total	24.360	99	Insignificant		

Table 1 found that the ‘F’ value (Sig. 0.549) is higher than the 0.05 (5 per cent level of significance). So the null hypothesis is rejected. Thus, there is no significant difference between the Gender of the respondents and Subscribers’ Perceptions towards ESI benefits and Services.

Age and Subscribers’ Perceptions towards ESI Benefits and Services

A test of significance of difference on the two groups based on the age of the respondents was conducted through F test.

H₀: There is no significant difference between the age of the respondents and Subscribers’ Perceptions towards ESI benefits and Services

Table 2 Age and Subscribers’ Perceptions towards ESI Benefits and Services

Sources of variance	Sum of squares	Degrees of freedom	Means square	“F” value	Sig.
Between sample	12.544	7	1.792	1.819	.093
Within sample	90.616	92	.985		
Total	103.160	99	Insignificant		

Table 2 found that the ‘F’ value (Sig. 0.093) is higher than the 0.05 (5 per cent level of significance). So the null hypothesis is rejected. Thus, there is no significant difference between the age of the respondents and Subscribers’ Perceptions towards ESI benefits and Services.

Marital Status and Subscribers' Perceptions towards ESI Benefits and Services

A test of significance of difference on the two groups based on the marital status of the respondents was conducted through 'F' test.

H0: There is no significant difference between the marital status and Subscribers' Perceptions towards ESI benefits and Services

Table 3 Marital Status and Subscribers' Perceptions towards ESI benefits and Services

Sources of variance	Sum of squares	Degrees of freedom	Means square	“F” value	Sig.
Between sample	.949	7	.136	.599	.755
Within sample	20.811	92	.226		
Total	21.760	99	Insignificant		

Table 3 indicated that the, 'F' value (Sig. 0.755) is higher than the 0.05 (5 per cent level of significance) and hence the null hypothesis is rejected. Thus, there is no significant difference on the marital status and Subscribers' Perceptions towards ESI benefits and Services.

Monthly Salary and Subscribers' Perceptions towards ESI Benefits and Services

A test of significance of difference on the four groups based on the monthly salary of the respondents was conducted through F test.

H0: There is no significant difference between the monthly salary of the respondents and Subscribers' Perceptions towards ESI benefits and Services

Table 4 Monthly Salary and Subscribers' Perceptions towards ESI Benefits and Services

Sources of variance	Sum of squares	Degrees of freedom	Means square	“F” value	Sig.
Between sample	9.419	7	1.346	1.308	.255
Within sample	94.621	92	1.028		
Total	104.040	99	Insignificant		

Table 4 observed that the 'F' value (Sig. 0.255) is higher than the 0.05 (5 per cent level of significance). So the null hypothesis is rejected. Thus, there is no significant difference between the monthly salary of the respondents and Subscribers' Perceptions towards ESI benefits and Services.

Family income and Subscribers' Perceptions towards ESI benefits and Services

A test of significance of difference on the four groups based on the family income of the respondents was conducted through F test.

H0: There is no significant difference between the family income of the respondents and Subscribers' Perceptions towards ESI benefits and Services

Table 5 Family Income and Subscribers' Perceptions towards ESI Benefits and Services

Sources of variance	Sum of squares	Degrees of freedom	Means square	“F” value	Sig.
Between sample	1.703	7	.243	.996	.440
Within sample	22.487	92	.244		
Total	24.190	99	Insignificant		

Table 5 found that the 'F' value (Sig. 0.440) is higher than the 0.05 (5 per cent level of significance). So the null hypothesis is rejected. Thus, there is no significant difference between the family income of the respondents and Subscribers' Perceptions towards ESI benefits and Services.

Summary of Findings

There is no significant difference between the Subscribers' Perceptions towards ESI benefits and Services and nature of work, monthly salary, family income, educational qualification and work experience of the sample respondents.

Conclusion

Nowadays ESI is gaining increasing importance. They are performing well in insurance sector. More people are becoming subscribers. In India enhancement of ESI sector is helpful for enhancing economic development and economic growth of our country.

References

1. "ESI Wage Limit Rased". Retrieved 7 September 2016.
2. www.esic.nic.in
3. <http://www.india.gov.in>
4. <http://www.mohfw.nic.in>
5. <http://www.whoindia.org>
6. BibleHR.com. What is ESIC? ESIC FAQ. Retrieved 1 January 2016.
7. "What is ESI Scheme". Retrieved 6 March 2016.