

# **AWARENESS AND EFFECTIVE UTILISATION OF ESI BENEFITS AMONG PRIVATE SECTOR EMPLOYEES WITH SPECIAL REFERENCE TO COIMBATORE CITY**

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## **ABSTRACT**

*Apart from the basic human necessities such as food, clothing, housing, every man needs security in times of physical and economic distress consequent upon sickness, disablement etc. The Employee's State Insurance Scheme is an integrated measure of social insurance designed to accomplish the task of protecting employees against the sickness, maternity, disablement due to employment injury and to provide medical care to insured persons and their families. The study explores the level of awareness and effects of utilization of ESI benefits among the employees working in private sector. A well-structured questionnaire was framed and given to 110 respondents to identify the ESI framework with its benefits, schemes, allowances among private sector employees.*

**Keywords:** *Employee State Insurance (ESI), Awareness, Utilization of benefits, Insurance schemes.*

## **INTRODUCTION:**

ESI is a social security offered by the government of India as per the Employee State Insurance Act 1948. The Act has been applicable to whole India. The ESI scheme is different from the other types of insurance scheme. This scheme is a self financing scheme, where the employees and employers make regular monthly contribution to the scheme at certain percentage of wages. The ESI scheme is applies

to factories and other establishments including shops, hotels and restaurant, cinema theatre etc. The scheme is enacted with the objective of providing certain benefits to employees in case of sickness, maternity and employment injury. Under the Act, employees will get medical relief, cash benefits, maternity benefits, pension to dependants of diseased workers and compensation for fatal and other injuries and diseases.

## **BENEFITS UNDER THE SCHEME**

**Medical benefit:**

The employee state insurance corporation take care of an individual's medical expenses by providing reasonable medical care. This cover comes into effect from day one of the individual's employment.

**Disablement benefit:**

In case employee is disabled, ESIC ensures that the employee is paid their monthly wages for the period of the injury in case of a temporary disablement or for the remainder of the employee's life in case of a permanent disablement.

**Maternity benefit:**

ESIC helps an employee welcome their baby to a household which has been showered with benefits. ESIC provides a total of 100% of the average daily wages for a period of to 26 weeks from the time of going into labour and 6 weeks in case of a miscarriage.12 weeks of pay is provided in the case of a adoption.

**Sickness benefit:**

ESIC ensures that there is a flow of cash coming into the employee's household during medical leave.70% of the average daily wages of an employee is paid during medical leave for a maximum period of 91 days in two successive benefit periods.

**Dependent's benefit:**

In case the employee meets with an untimely death due to an injury at the place of employment, ESIC will provide monthly

payments apportioned among the surviving departments.

**STATEMENT OF THE PROBLEM**

Employee State Insurance is an important for the people who are in working environment. Many peoples are still in the par or below poverty line with much less than the average income, which certainly makes it difficult to spend for their social security. There are various schemes introduced by the government to provide social protection to workers like Employees Provident Fund Act, Workmen Compensation Act, Maternity Benefits Act, Payment of Gratuity Act, Minimum Wages etc. Among these schemes Employee's State Insurance Scheme plays a vital role in providing social security to workers and their dependents. The present study is an attempt to study the awareness and effects of utilization of ESI benefits among the private sector employees.

**OBJECTIVE OF THE STUDY**

- To study the demographic factors of the respondents under the study.
- To analyse the level of awareness among private sector employees towards Employee's State Insurance (ESI) policy.
- To know the level of utilization of benefits under ESI scheme.

**HYPOTHESIS**

**H<sub>0</sub>**- There is no association between monthly income of the respondents and their awareness towards ESI benefits.

**H<sub>0</sub>**- There is no association between the members of the family and the benefits received under ESI Act.

## **RESEARCH METHODOLOGY**

Research in common refers to a search for knowledge. Research methodology is a way to systematically solve the research problem. It is a systematic tools and purposive investigation of facts of an objective of analysing the utilisation of ESI benefits among private sector employees.

### **SAMPLING SIZE:**

Out of the entire population 110 respondents were chosen as the samples.

### **SAMPLING :**

The sampling deign used in this project is convenient sampling.

### **DATA COLLECTION:**

There are two types of data

- ❖ Primary data
- ❖ Secondary data

### **PRIMARY DATA:**

The study mainly uses primary data collection through a specifically designed questionnaire are given to the customer to collect data from them.

### **SECONDARY DATA:**

The secondary data are available where it is collected and analysed by someone else. It is also referred in journals, articles, magazines and publish reports.

### **TOOLS USED:**

Data analysing tools are Simple percentage and Chi- square.

### **SIMPLE PERCENTAGE:**

Percentage base analysis helps to find which factors is significant among a number of factors.

$$\text{Percentage analysis} = \frac{\text{No of respondents}}{\text{Total no of respondents}} \times 100$$

### **CHI- SQARE:**

A chi- square which is used to test the measures of expectations compare to actual observes (or) model result.

$$\text{Chi- square , } \chi^2 = \sum \frac{(O_i - E_i)^2}{E_i}$$

### **LIMITATIONS OF THESTUDY**

- The time factor is the main limitations of study as the project was restricted to small period.
- The study is confined to limited respondents only.
- Some respondents are not ready to share their views.

### **REVIEW OF LITERATURE:**

**Mrs. Sumitra pujari (2018)<sup>1</sup>** conducted a study about the welfare schemes of Employee State Insurance(ESI).This examination is directed to know whether the ESI benefits has been actualized well in the general public and further more check about the advantages gave by the ESI plan to the representative in the association. The auxiliary information is gathered for this examination is given by the Employee state protection enterprise, it incorporate site gave by the Employee state protection partnership, magazines, books and distributed articles.

**Deblina Mithra (2017)<sup>2</sup>** has conducted a study about the effectiveness of medical benefits under the ESI scheme with special reference to organised sector in Kolkata. This study explains about the awareness level about how far the employees know about the medical benefits and usage of medical benefits of employees under ESI scheme. The Primary data has been used for this project and also about the services provided by the hospitals to the employees.

**Dr.A.Ananda Kumar (2017)<sup>3</sup>** conducted a study about the effective utilization of Employee state insurance policy at e-publishing sector. The purpose of the study is to check about the awareness and satisfaction with the utilization of the benefits among the employees. The study also attempt to reveal about the benefits of ESI providing to the employees. The research paper is to find the effects of utilization of Employees State Insurance (ESI) policy using various statistical tools through SPSS software. The employees are not getting their benefits fully are also identified. With the SPSS software, they had done Chi-square analysis, correlation

analysis to found out the relationship between the employees and the organization.

## ANALYSIS AND INTERPRETATION

### Demographic Profile of the Respondent

S.NO	DEMOGRAPHIC	PERCENTAGE %	
1	Gender	Male	40
		Female	60
2	Age	18-25 years	25
		26-35 years	38
		36-45years	22
		Above 45 years	15
3	Educational Qualification	Below SSLC	18
		SSLC – HSC	35
		Graduate	40
		Post graduate	7
4	Monthly Income	Less than 10,000	25
		10,001-14,000	40
		14,001- 18,000	17
		18,000-21,000	18
5	Period of service	Less than 1 year	7
		1-3 years	15
		4-6 years	36
		Above 6 years	42
6	Nature of Employment	Temporary	24
		Permanent	76
7	Family members	2 members	7
		3 members	29
		4 members	47
		5 members	14
		More than 5 Members	3

**Interpretation:** The above table clearly states that demographic profile of the respondents. Majority of the respondents falls in the age group between

26-35years and most of them are female. Majority of them are graduates. Majority of the respondents' monthly income falls between Rs.10,000 - Rs.15,000. Majority of the respondents have experience upto more than 6 years . Most of the respondents are Permanent employees. Majority of the respondent has 4 members in their family.

### Chi-Square Table : 1

**H<sub>0</sub>:** There is no significant relationship between monthly income of the respondents and their towards ESI benefits.

Particulars	DF	Chi-square value	Table value	Remark
Monthly income and awareness towards ESI benefits	4	40.1	16.92	Rejected

Source : Primary data

The calculated chi square value at 5% level of significance is (40.1) is higher than the table value (16.92).Hence the hypothesis is rejected.

Therefore there is significant relationship between monthly income of the respondents and their awareness towards ESI benefits.

### Chi –Square Table : 2

**H<sub>0</sub>-** There is no association between the members of the family and benefits received under ESI .

Particulars	DF	Chi-square value	Table value	Remark
Family members and benefits received under ESI	5	18.84	26.30	Accepted

Source : Primary data

The calculated chi square value at 5% level of significance is (18.84) is lesser than table value (26.30).Hence the hypothesis is Accepted.

Therefore there is no significant relationship between members of the family and benefits received under ESI Act.

### FINDINGS:

1. Majority 60% of the respondents are Female.
2. (38%)of the respondents are between the age group of 26-35 years.
3. (40%) of the respondents are graduates.
4. (40%) of the respondents has income between Rs.10,001- Rs.14,000.
5. (42%) of the respondents have experience more than 6 years.
6. Majority 76% of the respondents are Permanent employees.
7. Majority 51% of the respondents has 4 members in their family.
8. 100% of the respondents have ESI card.
9. Majority 59% of the respondents in the private sector are came to know about the ESI benefits from the employer.

10. Majority 50% of the respondents are partially aware about all the benefits covered under ESI.
11. (43%) of the respondents received Sickness benefits received under ESI act.
12. Majority 65% of the respondents are fully aware about formalities for claiming various benefits provided by the ESI corporation.
13. Majority 69% of the respondents opined that the procedure for claiming the ESI benefits is complex.
14. Majority 76% of the respondents opined that they have received their ESI benefits on time.
15. Majority 56% of the respondents are fully aware about the sickness benefits which are extendable upto two years in case of long term diseases.
16. Majority 69% of the respondents have received Permanent benefits provided under the ESI scheme.
17. Majority 74% of the respondents are fully aware about the contribution period and cash benefit period under ESI Act.
18. Majority 60% of the respondents satisfied with the services of the employer for claiming the benefits.
19. Majority 64% of the respondents opined that the facilities and amenities provided under ESI scheme are good.

20. There is significant relationship between the income of the respondents and their awareness towards ESI benefits.
21. There is no significant relationship between members of the family and benefits received under ESI .

### **SUGGESTIONS:**

- The newly joined employees are unaware of ESI benefits. Therefore the employer shall bring awareness among these employees about ESI scheme and its coverage.
- ESI procedure should be simple, then only the employees can claim the benefits easily.
- The government should provide adequate funds to expand and maintain the infrastructure facility in ESI hospital.
- Many respondents suggest that the employer should give free counselling to the employees about different benefits under ESI scheme.

### **CONCLUSION**

Social security is very essential for all the employees. It provides to the employees as compensation and other benefits. Employee State Insurance Corporation has played an important role in providing access to quality health care services to millions of workers in the organised sector. All the employee should be aware of the Employee State Insurance Scheme and also the different types of benefits under the

scheme so that it will benefices them in their future risk especially risks that need medical coverage are effectively met with ESI scheme. From this study it was revealed that most of the employees are aware about ESI benefits available but its effective utilization depends on their level of knowledge in availing these benefits which should be accompanied by their employers support in receiving such benefits.

### **Research Articles**

#### **Reference**

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