



# **A STUDY ON AWARENESS AND UTILIZATION OF EMPLOYEES' STATE INSURANCE SCHEME AMONG SALARIED COMMUNITY IN TIRUPUR DISTRICT**

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## **ABSTRACT:**

Employees' State Insurance scheme is a social security scheme to protect the insured employees and their dependents during contingencies. ESI scheme offers various medical benefits like sickness, maternity, disablement and dependents benefits to the insured persons. The main objective of the study is to identify the awareness of employees towards Employees' State Insurance scheme and its benefits and to analyse the utilization of Employees' State Insurance scheme on healthcare of salaried employees. The study is analytical in nature and the primary data collected through structured questionnaire from a sample of 120 respondents. The study found that employers are the major source of awareness about the ESI scheme and its benefits. It is identified that free supply of medicines, easy access to medical care, cashless treatment and specialist consultation are the major benefits from ESI scheme. The employees are satisfied with the services and quality of treatment provided under ESI. It is suggested that utilization of ESI benefits can be enhanced through proper awareness among employees.

## **KEYWORDS:**

Employee Awareness, Benefits, Utilization, Employers.

## **INTRODUCTION:**

Human resource is the source of strength to the organisation and their contribution plays a major role in attaining the goals and objectives of the organisation. The organisations recognize the value of employees and consider them as assets of the organisation. Health of the employees is inevitable for the success of the organisation. The Government of India offers Employees' State Insurance scheme to protect the employees in the organized sector against sickness, maternity and disablement. ESI is a health insurance scheme to protect the Indian workers and Employees' State Insurance Act 1948 created to accomplish the task of protecting the employees. It provides medical care facilities and financial assistance to insured employees to cover the loss of wages occurred during the period of absenteeism from work due to sickness, injury and maternity. ESI scheme covers the employees working in factories and other establishments like educational institutions, road transport, hotels, restaurants, etc wherein 10 or more persons are employed and drawing wages up to Rs.21000/- per month. ESI is a self-financing scheme as it is financed by the contributions from employers and employees. \*The contribution of employer is 3.25 percent of the wages payable to employees and employees contribution is 0.75 percent of the wages payable to them. The benefits covered under ESI scheme are medical benefit, sickness benefit, maternity benefit,

disablement benefit and dependants benefit. The insured persons are entitled to avail various treatments such as specialists consultation, free supply of medicines, laboratory services and medical certification. This study is undertaken to study the awareness and utilization of Employees' State Insurance scheme among salaried population.

## REVIEW OF LITERATURE:

**Deepa, et al (2023)** in the study “Awareness and Effective Utilization of ESI Benefits Among Employees in Avanish Industry at Kuduvanchery” revealed that the employees are highly aware about the various ESI benefits like sickness benefit, dependants' benefit, leave benefit and the employees also properly utilize the benefits of ESI services.

**Prasanth, et al (2021)** conducted research on “A Study on the Awareness and Effective Utilization of Employees State Insurance Benefits” and found that the employees are aware about the medical benefits, and they prefer ESI at the time of sickness. The employees are satisfied regarding the utilization of Employees' state insurance scheme benefits.

**Sneha Sasidharan, et al (2021)** conducted research on “Employees Awareness and Utilisation towards Employees' State Insurance Scheme with Reference to Thrissur City”. The study found that the employees mostly availed the medical benefit, sickness benefit and maternity benefit under ESI scheme. The employees are satisfied with the reimbursement of medical bill benefits provided by ESI.

**Bidyut Bikash Baishya, et al (2020)** in the study “The Employees' State Insurance Scheme: It's Benefits and Awareness”, stated that the insured persons are well aware of the ESI benefits and got awareness about the ESI benefits through colleagues.

**Sowmini Prasad, et al (2020)** in the study “Employees' State Insurance Scheme – Performance and Potential Pathways for Reform” bring out an overview of Employee State Insurance Scheme in India, including its key features, assessment of its performance based on access, quality, efficiency, and outcomes, and also stated the potential pathways for reform to improve the scheme's ability to provide healthcare services and fulfil its potential in longer term.

**Swathy.A.S (2018)** studied “Effectiveness of Employee State Insurance Scheme among Employees in Cochin City” and found that the insured employees are satisfied with the benefits they have utilized under the ESI scheme and are also satisfied with the quality of services like medicines and diagnostic services in ESI Hospitals.

**Rini Elizabeth Varughese, et al (2018)** in the study “Medical Care Under Employee State Insurance” stated that the employees are aware of the various benefits and the formalities for claiming the benefits provided by the Institution under ESI scheme. Free medical care facility is the main reason for the employees to prefer ESI Dispensary.

**C.A.Parri, et al (2016)** conducted research on “Employees Problems in Utilizing ESI Benefits – As Special Reference to Erode District of Tamilnadu” and identified that the lack of medicines and lack of doctors were the major problems faced by the insured persons from ESI dispensaries.

**Umesh Maiya (2016)** in the study “Nurses Perception towards ESI Scheme: A Study with Reference to Select Hospitals in Udipi District” revealed that the majority of the nurses are satisfied regarding ESI Scheme. It is also found that the level of satisfaction is independent of demographic variables like age, gender, religion, dependent members and monthly family income.

**Mamta Sharma, et al (2015)** studied the “Role of Employees’ State Insurance Scheme in Mitigating the Issues of Labour” and found that the number of insured persons and the beneficiaries are very high, and they avail various benefits of ESI scheme at the time of contingencies.

### OBJECTIVES OF THE STUDY:

The objectives of the study are:

- To study the awareness of employees towards Employees’ State Insurance scheme.
- To study the utilisation of Employees’ State Insurance schemes.
- To identify the level of satisfaction of employees.

### HYPOTHESES OF THE STUDY:

**H<sub>01</sub>:** There is no significant association between educational qualification and source of awareness.

**H<sub>02</sub>:** There is no significant association between monthly income and the utilization of benefits availed under ESI.

**H<sub>03</sub>:** There is no significant association between monthly income and the respondents’ opinion about ESI scheme.

### RESEARCH METHODOLOGY:

The study follows an analytical method of research to measure, analyse and interpret the awareness and utilization of Employees’ state insurance scheme on healthcare among salaried population. The sample has been collected from 120 respondents adopting Convenient Sampling method. The primary data was collected from ESI insured employees in Tirupur district through structured questionnaire and interview. Percentage analysis and Chi-square test were used to analyse the data.

### DATA ANALYSIS AND INTERPRETATION:

**Table 1**  
**Socio - demographic profile of the respondents**

Demographic Variables	Classification	Percentage
<b>Age</b>	21-40 years	45.83
	41-60 years	51.67
	Above 60 years	2.5
<b>Gender</b>	Male	52.5
	Female	47.5
<b>Educational qualification</b>	Up to school	50
	Undergraduate	45
	Postgraduate	3.33
	Diploma	1.67
<b>Type of Organization</b>	Factories	45.83
	Other Private Organisations	54.17
<b>Monthly Income</b>	Less than Rs.10000	32.5
	Rs.10001 - Rs.21000	67.5
<b>Place of Residence</b>	Rural	87.5
	Urban	12.5

(Source: Primary data)

It is interpreted that 51.67 percent of the respondents were in the age group of 41 -60 years, 52.5 percent of the respondents were male, 50 percent of the respondents educational qualification was up to school, 54.17 percent of the respondents belong to other private organisations, 67.5 percent of the respondents monthly income ranged between Rs.10001 – Rs.21000 and 87.5 percent of the respondents dwell in rural area.

Table 2  
Source of Awareness about ESI Scheme.

Source of Awareness	No of Respondents	Percentage of Respondents
Employer	99	82.5
Co-workers	16	13.33
Friends	2	1.67
Trade Unions	3	2.5
Total	120	100

(Source: Primary data)

Employer found to be the major source of awareness about ESI scheme.

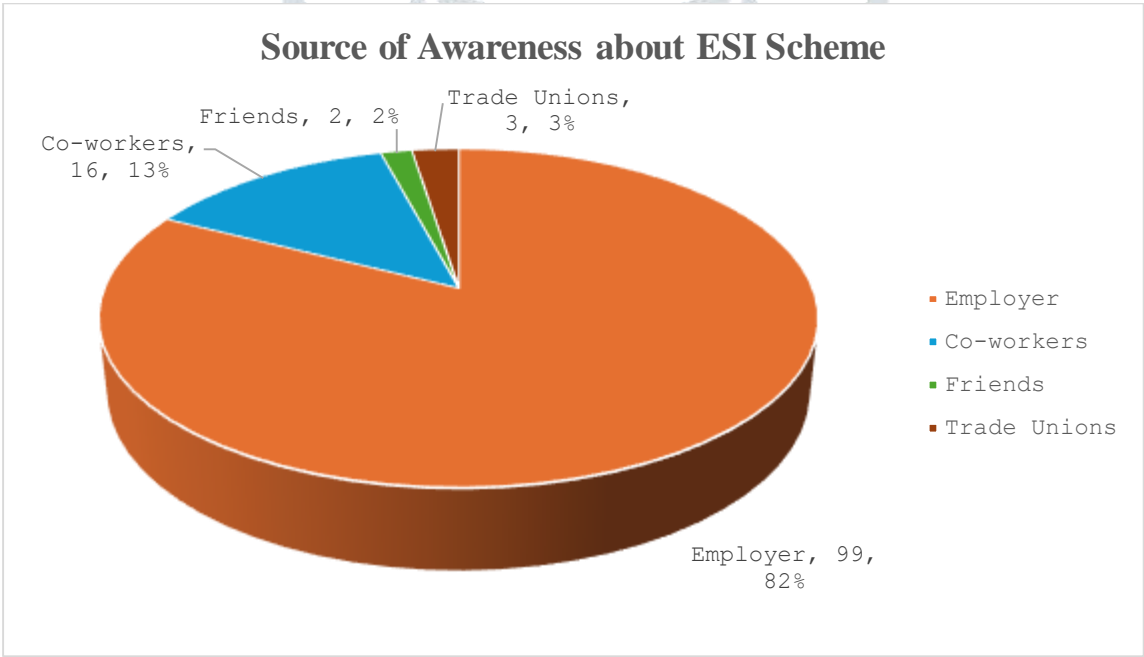


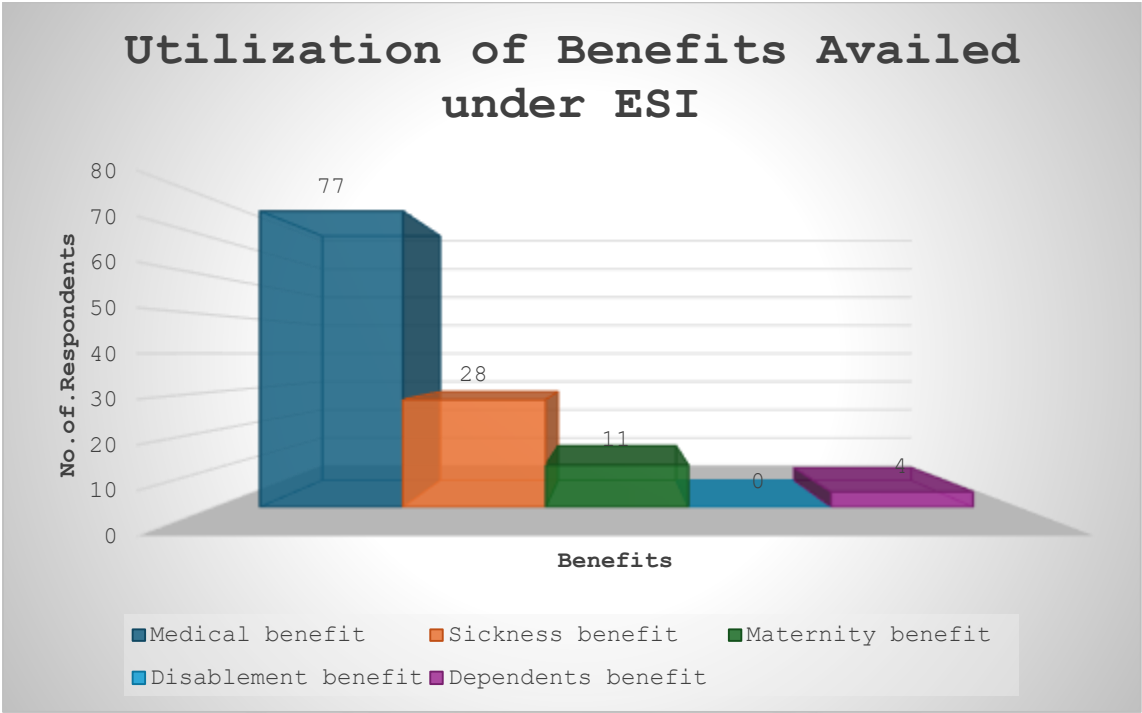
Table 3  
Utilization of Benefits Availed under ESI

Benefits	No of Respondents	Percentage of Respondents
Medical benefit	77	64.17
Sickness benefit	28	23.33
Maternity benefit	11	9.17
Disablement benefit	0	0

Dependents benefit	4	3.33
<b>Total</b>	<b>120</b>	<b>100</b>

(Source: Primary data)

It is inferred that 64.17 percent of the respondents availed medical benefit, 23.33 percent of the respondents availed sickness benefit, 9.17 percent of the respondents availed maternity benefit and 3.33 percent of the respondents availed dependents benefit under ESI.



**Table 4**  
**Utilization of Medical Benefits under ESI**

Medical Benefits	Number of Responses	Percentage of Responses
Specialists consultation	98	81.67
Laboratory Services	110	91.67
Free supply of medicines	118	98.33
Artificial limbs and Aids	2	1.67
Extended medical care for the family members	109	90.83

(Source: Primary data)

The above analysis reveals the utilization of medical benefits by the respondents under ESI. It is found that majority of the respondents (98.33 percent) availed free supply of medicines, 91.67 percent of the respondents availed laboratory services, 90.83 percent of the respondents availed medical care for the family members, 81.67 percent of the respondents availed specialists consultation and least of the respondents (1.67 percent) availed artificial limbs and Aids.



**Table 5**  
**Respondents' Opinion about ESI Scheme**

Opinions	Number of Responses	Percentage of Responses
Easy access to medical care	119	99.17
Insurance cover for family	119	99.17
Easy availability of free medicines and artificial limbs	118	98.33
No panic due to sudden illness	62	51.67
No out-of-pocket healthcare expenditure	72	60
Offers speciality medical treatments	103	85.83
Provide insurance cover after retirement	10	8.33

(Source: Primary data)

It is inferred that most of the respondent's (99.17 percent) opined that they have easy access to medical care and insurance cover for family under ESI scheme followed by availability of free medicines and artificial limbs (98.33 percent).

**Table 6**  
**Level of Satisfaction Towards the ESI Scheme**

Services	Level of Satisfaction					Total Score	Rank
	Highly Satisfied	Satisfied	Neutral	Not satisfied	Highly not satisfied		
	5	4	3	2	1		
Access to ESI medical centres	72	48	0	0	0	552	4
Treatment Quality	109	11	0	0	0	589	1
Speciality treatments	37	72	8	3	0	503	5
Cashless treatments	101	17	2	0	0	579	3
Free medicines	105	15	0	0	0	585	2
Medical certificates	11	101	8	0	0	483	6
Contribution level of the employer	2	110	8	0	0	474	7
<b>Total</b>	<b>437</b>	<b>374</b>	<b>26</b>	<b>3</b>	<b>0</b>	<b>3765</b>	

(Source: Primary data)

Majority of the respondents are satisfied with the quality of treatment provided by the ESI with the score of 589, followed by free medicines with a score of 585.

**Table 7**  
**Results of Hypotheses Testing**

Hypotheses	Chi-square test		Degrees of freedom	Result
	Calculated value	Table Value		
H <sub>01</sub> : Educational Qualification and Source of Awareness	9.565	16.919	9	Accepted
H <sub>02</sub> : Monthly Income and the Utilization of Benefits Availed under ESI	1.008	9.488	4	Accepted
H <sub>03</sub> : Monthly Income and the Respondents' Opinion about ESI scheme	11.595	22.362	13	Accepted

Based on the results of the hypotheses testing, it is evident that there is no significant association between educational qualification and source of awareness, monthly income and the utilization of benefits availed under ESI and monthly income and the respondents' opinion about ESI scheme.

#### **FINDINGS:**

The findings from the study are:

- Employer found to be the major source of awareness about ESI scheme.
- Majority of the respondents (64.17 percent) availed medical benefit.
- Majority of the respondents (98.33 percent) availed free supply of medicines.
- Most of the respondent's (99.17 percent) opined that they have easy access to medical care and insurance cover for family.
- Majority of the respondents are satisfied with the quality of treatment provided by the ESI.

#### **SUGGESTIONS:**

- The study revealed that some employees are still not aware of the ESI Scheme and its benefits, there is a need to create awareness among employees to have better medical facilities.
- The disablement benefit is not availed by the respondents, so an awareness needs to be created regarding the disablement benefit and the procedures to claim it.
- The medical benefits provided to retired insured persons are very less, so necessary steps need to be taken to enhance the benefits to the retired insured persons.

#### **CONCLUSION:**

Employees' State Insurance scheme provides medical care facilities to insured employees and their families. Easy access to medical care and cashless treatments are the major benefits of utilising ESI scheme. The employees are satisfied with the quality of medical treatment and free supply of medicines under ESI. But proper awareness about ESI facilities is not widespread among the employees, so there is a need to create awareness about the ESI

scheme and its benefits to get better medical care. The study concludes that the ESI scheme highly benefits the employees with regard to their medical care.

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