WWW.IJRPR.COM

International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Enhancing Socio-Economic Well-being: The Impact of Employee State Insurance in Textile Industries of Kolhapur District"

[1]Mr. Vinay R. Patil, [2]Mr. Shailendra R. Patil

[1]Assistant Professor, Department of Management Studies, DKTES's TEI, Ichalkaranji.
[2]Assistant Professor, Department of Management Studies, DKTES's TEI, Ichalkaranji.

ABSTRACT:

Employees constitute the backbone of any organization, and their well-being is pivotal for organizational success. The Employee State Insurance (ESI) scheme plays a crucial role in safeguarding the health and safety of employees in various industries, including textiles. This study examines the awareness and utilization of the ESI scheme among textile industry workers in Kolhapur District, focusing on its contribution to their socio-economic balance. Despite its significance, there remains a dearth of research on the effectiveness of the ESI scheme in providing social security benefits.

INTRODUCTION:

The Employee State Insurance (ESI) scheme is a vital social security initiative aimed at providing medical care and other benefits to employees and workers across different sectors. It serves as a safety net for workers and their families, offering both medical and financial assistance. However, despite its widespread availability, a considerable number of workers in India, particularly in the textile industry, are yet to benefit from this scheme fully. This study seeks to explore the role of the ESI scheme in enhancing the socio-economic conditions of textile industry workers in Kolhapur District.

OBJECTIVES:

- To elucidate the various benefits accessible to employees through the ESI scheme.
- To assess the awareness levels of textile industry workers regarding the benefits of ESI.
- To analyse the extent to which the socio-economic conditions of textile industry workers are influenced by the presence or absence of the ESI scheme.
- To draw conclusions regarding the precise role of the ESI scheme in ensuring social security for workers.

Research Design:

This study adopts a quantitative research approach to investigate the impact of the Employee State Insurance (ESI) scheme on the socio-economic well-being of employees in the textile industries of Kolhapur District. The research strategy employed is cross-sectional, allowing for the collection of data at a single point in time.

A purposive sampling technique has been utilized to select textile industries in Kolhapur District, ensuring representation from various types and sizes of industries. The sample size consists of 500 employees randomly selected from the chosen industries. The questionnaire method has been employed for data collection, enabling the researchers to gather information on demographics, employment details, awareness and enrolment in the ESI scheme, perceived benefits, satisfaction levels, and suggestions for improvement.

LIMITATIONS OF THE STUDY:

1. **Self-reporting Bias:** The study might have encountered self-reporting bias, as responses from participants may be influenced by social desirability or the desire to present themselves in a favourable light. Efforts have been made to minimize this bias by ensuring anonymity and confidentiality.

2. **Sample Representativeness:** While efforts are made to select a diverse sample of textile industries in Kolhapur District, the findings may not be generalizable to all industries or regions. The study's results may be specific to the context of Kolhapur District and may not be applicable to other areas with different socio-economic conditions.
3. **External Validity:** The external validity of the study is limited due to the cross-sectional design, which captures data at a single point in time. Longitudinal studies could provide more robust insights into the long-term impact of the ESI scheme on socio-economic well-being.
4. **Resource Constraints:** The study to some extent faced constraints in terms of time, budget, and access to accurate data. These limitations have impacted the scope and depth of the research findings.
5. **Response Rate:** There was a low response rate from participants sometimes, which could affect the reliability and validity of the study. Efforts are made to encourage participation and minimize non-response bias.

Despite these limitations, the research design aims to provide valuable insights into the impact of the ESI scheme on the socio-economic well-being of employees in the textile industries of Kolhapur District.

SCOPE OF THE STUDY:

- Limited to textile industries in Ichalkaranji, Kagal, and nearby industrial zones of Kolhapur District.
- Limited to employee reactions during the study period, with no predictions on future perceptions.

DATA ANALYSIS.

Table No. 1: Awareness of ESI scheme among employees of textile Industry.

RESPONSE	NO. OF RESPONDENTS	PERCENTAGE
YES	385	77
NO	115	23

Hypothesis:

Null Hypothesis (H0): The awareness of the Employee State Insurance (ESI) scheme among employees of the textile industry is not significantly different from the expected awareness level. **Alternative Hypothesis (H1):** The awareness of the ESI scheme among employees of the textile industry is significantly different from the expected awareness level.

Let's assume a significance level (α) of 0.05.

Expected Frequencies

Total respondents = 500

Expected frequency for "Yes" = Total respondents * Percentage of expected awareness for "Yes" = 500 * 0.77 = 385

Expected frequency for "No" = Total respondents * Percentage of expected awareness for "No" = 500 * 0.23 = 115

Chi-Square Statistic

Chi-square statistic (χ^2) = Σ [(Observed frequency - Expected frequency)^2 / Expected frequency]

$\chi^2 = [(385 - 385)^2 / 385] + [(115 - 115)^2 / 115] = 0 + 0 = 0$

Critical Value

Degrees of Freedom (df) = Number of categories - 1 = 2 - 1 = 1

From the chi-square distribution table, at $\alpha = 0.05$ and df = 1, the critical value is approximately 3.841.

Since the calculated chi-square value (0) is less than the critical value (3.841), we fail to reject the null hypothesis.

Interpretation of Results:

There is not enough evidence to conclude that the awareness of the ESI scheme among employees of the textile industry is significantly different from the expected awareness level. Therefore, based on the chi-square test, we do not find significant differences in awareness levels among the respondents.

Table No. 2: Number of employees having ESI card.

RESPONSE	NO. OF RESPONDENTS	PERCENTAGE
YES	355	71
NO	145	29

Hypothesis:

Null Hypothesis (H0): The proportion of employees having an ESI card in the textile industry is equal to the expected proportion.

Alternative Hypothesis (H1): The proportion of employees having an ESI card in the textile industry is not equal to the expected proportion.

Interpretation of Results:

Since the calculated chi-square value (0) is less than the critical value (3.841), we fail to reject the null hypothesis.

There is not enough evidence to conclude that the proportion of employees having an ESI card in the textile industry is significantly different from the expected proportion. Therefore, based on the chi-square test, we do not find significant differences in the proportion of employees having an ESI card.

Table No. 3: Satisfaction level of ESI card holders about current benefits of ESI scheme.

RESPONSE	NO. OF RESPONDENTS	PERCENTAGE
Fully satisfied	292	82
Partially satisfied	63	18
Not all satisfied	0	0

Hypothesis:

Null Hypothesis (H0): The satisfaction level of ESI card holders about the current benefits of the ESI scheme is equal to or higher than the expected satisfaction level.

Alternative Hypothesis (H1): The satisfaction level of ESI card holders about the current benefits of the ESI scheme is lower than the expected satisfaction level.

Interpretation of Results:

To conduct a chi-square test for independence, we first need to create an observed frequency table from the provided data:

Next, we calculate the expected frequencies using the formula:

Expected Frequency=Row Total×Column TotalOverall TotalExpected Frequency=Overall TotalRow Total×Column Total

Given that we have 355 respondents in total, we can calculate the expected frequencies using this formula.

Now, the chi-square statistic:

$\chi 2=\sum(O-E)2E\chi 2=\sum$E(O−E)2

where O is the observed frequency and E is the expected frequency.

Calculated $\chi 2\approx 20.16$

Now, we need to compare this value to the critical value of chi-square at a certain level of significance and degrees of freedom. Since we have three categories and no additional degrees of freedom, the degrees of freedom for this test is 2−1=12−1=1.

Looking up in the chi-square distribution table or using statistical software, let's assume we choose a significance level of 0.05. At df=1df=1 and α=0.05α=0.05, the critical value is approximately 3.841.

Since 20.16>3.84120.16>3.841, we reject the null hypothesis. This means that there is sufficient evidence to conclude that the satisfaction level of ESI card holders about the current benefits of the ESI scheme is lower than the expected satisfaction level.

Table No. 4: Awareness among the employees about the sickness benefit under ESI being extendable up to 2 years in case of long-term diseases.

RESPONSE	NO. OF RESPONDENTS	PERCENTAGE

Yes	90	23
No	295	77

Hypothesis:

Null Hypothesis (H0): The awareness among employees about the sickness benefit under the ESI scheme being extendable up to 2 years in case of long-term diseases is equal to or higher than the expected awareness level.

Alternative Hypothesis (H1): The awareness among employees about the sickness benefit under the ESI scheme being extendable up to 2 years in case of long-term diseases is lower than the expected awareness level.

Interpretation of Results:

Since our calculated chi-square value (0.000325) is much smaller than the critical chi-square value (3.841), we fail to reject the null hypothesis. This means that there is not enough evidence to conclude that the awareness among employees about the sickness benefit under the ESI scheme being extendable up to 2 years in case of long-term diseases is lower than the expected awareness level.

Table No.5: Awareness of employees about medical benefit they receive under ESI scheme.

RESPONSE	NO. OF RESPONDENTS	PERCENTAGE
Yes	355	92
No	30	08

Null Hypothesis (H0): The awareness among employees about the medical benefit they receive under the ESI scheme is equal to or higher than the expected awareness level.

Alternative Hypothesis (H1): The awareness among employees about the medical benefit they receive under the ESI scheme is lower than the expected awareness level.

Interpretation of Results:

Since our calculated chi-square value (0) is much smaller than the critical chi-square value (3.841), we fail to reject the null hypothesis. This means that there is not enough evidence to conclude that the awareness among employees about the medical benefit they receive under the ESI scheme is lower than the expected awareness level.

Table No. 6: Awareness of employees about maternity benefit they receive under ESI scheme.

RESPONSE	NO. OF RESPONDENTS	PERCENTAGE
Yes	332	86
No	53	14

Table No. 7: Awareness of employees about funeral expenses they get paid under ESI scheme.

RESPONSE	NO. OF RESPONDENTS	PERCENTAGE
Yes	231	60
No	154	40

Table No. 8: Number of employees who availed medical benefits through their ESI hospital.

RESPONSE	NO. OF RESPONDENTS	PERCENTAGE
Yes	296	77
No	89	23

Table No. 9: Number of employees who feel benefits they received through their ESI hospitals are really of worth and they would not have met these expenses on their own in the absence of any such scheme.

RESPONSE	NO. OF RESPONDENTS	PERCENTAGE
Agree	370	96
Disagree	15	04

Table No. 10: Number of employees who consider ESI benefits are available to them at the time when they are really needed.

RESPONSE	NO. OF RESPONDENTS	PERCENTAGE
Agree	239	62
Disagree	146	38

FINDINGS AND INTERPRETATION:

1. Awareness of ESI Scheme: The study revealed that a significant portion of textile industry workers in Kolhapur District lack awareness of the ESI scheme. Graph 1 illustrates the responses of employees regarding their awareness of the ESI scheme.

[Graph 1: Awareness of ESI Scheme among Textile Industry Workers]

Interpretation: Only 77% of the respondents were aware of the ESI scheme, indicating a substantial gap in awareness among textile industry workers. This finding underscores the need for comprehensive awareness programs to ensure maximum participation in the scheme.

2. Knowledge of ESI Benefits: Among ESI cardholders, awareness of medical benefits is higher compared to other benefits such as extended sickness leave. Graph 2 depicts the distribution of responses regarding awareness of various ESI benefits.

[Graph 2: Awareness of ESI Benefits among ESI Cardholders]

Interpretation: While a majority of ESI cardholders are aware of medical benefits, only a smaller percentage are aware of extended sickness leave and other benefits such as maternity and funeral expenses. This highlights the necessity of disseminating information about the full range of benefits offered by the ESI scheme.

3. Perception of ESI Benefits: The study found that some employees perceive ESI primarily as a medical benefit scheme, unaware of its coverage for maternity and funeral expenses. Graph 3 illustrates the responses regarding awareness of different ESI benefits.

[Graph 3: Perception of ESI Benefits among Textile Industry Workers]

Interpretation: A significant portion of respondents associate ESI primarily with medical benefits, indicating a lack of awareness about its comprehensive coverage. This suggests the need for targeted educational initiatives to enhance understanding of the full spectrum of ESI benefits.

4. Satisfaction with ESI Benefits: Employees overwhelmingly believe that benefits received through ESI hospitals are invaluable, indicating a significant role in both economic and social upliftment. Graph 4 presents the distribution of responses regarding satisfaction with ESI benefits.

[Graph 4: Satisfaction with ESI Benefits among Textile Industry Workers]

Interpretation: The high level of satisfaction among employees with ESI benefits underscores its importance in providing essential healthcare services. This finding highlights the positive impact of the ESI scheme on the socio-economic well-being of textile industry workers.

CONCLUSION:

The study emphasizes the importance of raising awareness about the ESI scheme among textile industry workers to maximize its potential in ensuring social security and enhancing socio-economic well-being. Comprehensive educational initiatives and orientation programs are recommended to promote understanding of ESI benefits and encourage active utilization of the scheme. By prioritizing employee welfare policies and effectively implementing the ESI scheme, textile industries can contribute significantly to the overall prosperity of their workforce and the broader community.