

Employee Perceptions of the ESI Scheme: A Critical Review of the Literature

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Employee Perceptions of the ESI Scheme: A Critical Review of the Literature

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ABSTRACT

Purpose of Study: *The study aims to critically evaluate employee perceptions of the Employees' State Insurance (ESI) Scheme in India, with a focus on how awareness, satisfaction, and perceived service quality influence the scheme's effectiveness. Recognizing the policy-practice gap, the paper explores how subjective employee experiences shape utilisation patterns and engagement with social insurance programs.*

Methodology: *The article adopts a systematic literature review approach, selecting peer-reviewed and empirical studies focused on ESI awareness, accessibility, and employee satisfaction across Indian states. The study applies thematic analysis informed by Social Exchange Theory and the Theory of Reasoned Action to synthesise key trends, challenges, and policy implications.*

Conceptual Framework & Analysis: *The review is grounded in behavioral and perception-based policy theories, revealing that employee trust and perception—not just policy design—determine the real-world success of the ESI Scheme. Key themes identified include low awareness, inconsistent service delivery, procedural barriers, and underutilisation of entitled benefits. The paper also integrates comparative insights from private insurance schemes and proposes strategic institutional reforms using models by Aithal (2016) for improved service alignment.*

Outcome: *The findings underscore that effective policy outcomes in social security schemes depend on perception management, streamlined service delivery, and proactive communication. Strategic reforms aligned with employee needs can significantly enhance the ESI Scheme's impact, particularly through digital integration, decentralised monitoring, and inclusive outreach efforts.*

Novelty/Value: *This review uniquely positions employee perception as both a metric and mechanism of policy success. By bridging empirical insights with strategic management frameworks, it offers a perception-centric lens for enhancing public insurance schemes and contributes actionable recommendations for future research and reform.*

Type of Paper: Systematic Review & Policy Analysis

Keywords: Employee Perception, ESI Scheme, Social Security, Service Satisfaction, Public Policy

1. INTRODUCTION :

Social security systems play a crucial role in safeguarding the economic and health well-being of workers, particularly in emerging economies with large, vulnerable labour populations. In India, the quest for structured welfare mechanisms led to the creation of institutional frameworks aimed at protecting workers from employment-related risks. Among these, the Employees' State Insurance (ESI) Scheme stands out as a foundational model of contributory social insurance tailored to the needs of industrial labour.

1.1 Background of the Employees' State Insurance (ESI) Scheme:

The Employees' State Insurance (ESI) Scheme represents one of India's earliest and most significant social security initiatives, legislated through the Employees' State Insurance Act 1948. It was formally launched in 1952 as a response to the post-independence demand for welfare measures to protect industrial labourers from economic hardship due to illness, maternity, disability, or employment injury. The scheme was modelled on European social insurance systems, particularly influenced by the Beveridge Plan in Britain, and marked a pivotal step in India's efforts to institutionalise labour welfare in the formal sector.

Administered by the Employees' State Insurance Corporation (ESIC) under the Ministry of Labour and Employment, the scheme is a contributory social insurance program. Both employers and employees make contributions, and in return, the insured persons receive access to comprehensive medical care, cash compensation during sickness and maternity, and long-term benefits in the case of disability or death due to occupational hazards.

The ESI scheme's development reflects broader socio-political ambitions to define and support the "formal" workforce within a largely informal labour economy. Its implementation also signaled a shift towards more institutionalised welfare governance in India, although coverage and service delivery challenges persisted over decades (van Rossum, 2019) [1].

1.2 Importance of Employee Perception in Policy Effectiveness:

Employee perception plays a pivotal role in determining the real-world impact of social security and insurance policies. While well-structured on paper, policies like the Employees' State Insurance (ESI) Scheme often fall short of their intended outcomes when employees lack awareness, face bureaucratic barriers, or perceive the services as inadequate. When employees view a social insurance scheme as trustworthy, accessible, and beneficial, they are more likely to utilise the services and comply with the necessary formalities—enhancing the policy's effectiveness.

Research by Anandhi and Sivagnanasithi (2012) on ESI hospitals in Dindigul found that low levels of awareness and unsatisfactory service experiences significantly affected how employees perceived the ESI scheme. The study emphasised that perception-related issues, such as lack of printed educational material and limited-service flexibility, reduced participation and undermined policy goals (Anandhi, K. & Sivagnanasithi, 2012) [2].

Furthermore, Kareeva (2015) highlighted that employees who perceive social security provisions as inadequate or poorly implemented are less likely to engage with them, which weakens the policy's protective intent. Her factor analysis indicated that employee satisfaction and policy compliance are directly tied to their subjective evaluation of service quality and communication transparency (Kareeva & Kapeeva, 2015) [3].

2. OBJECTIVES & SCOPE :

2.1 Objectives of the Paper:

The primary objective of this review is to critically assess the literature on employee perceptions of the Employees' State Insurance (ESI) Scheme, focusing on how these perceptions influence the scheme's utilisation and effectiveness. Specifically, the review aims to:

- (1) **Evaluate Awareness and Utilisation:** Examine the levels of awareness among employees regarding the ESI Scheme and how this awareness affects the utilisation of its benefits. A study by Miny (2022) highlights that increased awareness significantly correlates with higher utilisation rates of ESI benefits among employees in Chalakudy, Kerala. This underscores the importance of informational outreach in enhancing scheme effectiveness (Miny MJ, 2022) [4].
- (2) **Assess Satisfaction Levels:** Analyse employee satisfaction with various components of the ESI Scheme, including medical benefits, cash benefits, and administrative services. Understanding satisfaction levels can provide insights into areas needing improvement to increase employee engagement with the scheme.
- (3) **Identify Barriers to Access:** Identify common barriers that prevent employees from fully utilising ESI benefits, such as bureaucratic hurdles, lack of facilities, or inadequate service delivery. Addressing these barriers is crucial for improving the scheme's accessibility and effectiveness.

- (4) **Inform Policy Recommendations:** Based on the findings, suggest policy recommendations aimed at enhancing the ESI Scheme's reach and efficiency, ensuring it meets the needs of its beneficiaries more effectively.

By achieving these objectives, the review seeks to contribute to the ongoing discourse on social security schemes in India and provide actionable insights for policymakers and stakeholders involved in the ESI Scheme's implementation and reform.

2.2 Scope and Limitations:

This review is focused on synthesising literature that explores employee perceptions of the Employees' State Insurance (ESI) Scheme in India. The scope includes studies examining employees' awareness, satisfaction, and utilisation of ESI benefits, particularly in organised sectors. Geographic coverage is primarily in Indian states where ESI has significant implementation, such as Kerala, Tamil Nadu, and Haryana. The review also includes cross-sectional studies based on primary survey data from industrial workers.

However, the review has certain limitations. First, most of the available literature is region-specific, limiting generalizability to a pan-India level. Second, the studies largely rely on self-reported perceptions, which may be subject to biases. Third, longitudinal research does not assess how perceptions evolve over time or in response to policy reforms. Finally, informal sector workers, excluded from the ESI scheme, are underrepresented in perception studies, despite forming most of India's labour force.

These limitations align with observations from Anandhi and Sivagnanasithi (2012), who noted that localised sampling frames often constrain studies and fail to capture broader systemic inefficiencies (K. Anandhi & Sivagnanasithi, 2012) [2].

3. METHODOLOGY :

This review adopts a structured and systematic approach to identify, select, and analyse relevant literature on employee perceptions of the Employees' State Insurance (ESI) Scheme, ensuring academic rigour and contextual relevance.

3.1 Selection Criteria for Literature:

The selection of literature for this review was guided by a structured approach to ensure relevance, credibility, and depth. Studies were included based on the following criteria:

- (1) **Topical Relevance:** Only studies that explicitly investigate employee perceptions of the Employees' State Insurance (ESI) Scheme or similar social insurance programs in India were selected. Studies had to focus on awareness, satisfaction, service utilisation, or access-related issues from the perspective of the insured employees.
- (2) **Peer-Reviewed Sources:** Preference was given to articles published in peer-reviewed journals, ensuring academic rigour and methodological soundness.
- (3) **Empirical Basis:** Studies based on primary data collection (e.g., surveys, interviews) and those applying qualitative or quantitative analysis were prioritised over purely theoretical discussions.
- (4) **Geographic Focus:** Only studies focused on the Indian context were considered to maintain contextual relevance, though some international frameworks were referenced for comparative insight.
- (5) **Publication Accessibility:** Literature with accessible full texts and clear methodological descriptions was favoured for detailed analysis and citation tracking.

This approach is consistent with the structured methodology used by Mohapatra et al. (2024), who employed a rigorous two-stage process—exploratory factor analysis followed by fuzzy analytical hierarchy techniques—to select and prioritise social insurance participation factors among unorganised workers (Mohapatra et al., 2024) [5]. Their method informed this review's emphasis on relevance, empirical strength, and stakeholder-focused insights.

3.2 Databases and Search Strategy:

A multi-database search strategy was employed to ensure comprehensive coverage of relevant literature. The databases used for the review included:

- **Google Scholar** – for broad academic coverage, including grey literature and conference proceedings
- **PubMed** – for health-related studies connected to insurance utilisation and service outcomes
- **Scopus** and **Web of Science** – for peer-reviewed social science and policy research
- **JSTOR** and **SpringerLink** – for historical and legal perspectives on social insurance in India

Search queries included combinations of keywords such as:

- "Employees' State Insurance" OR "ESI scheme"
- "employee perception" AND "India"
- "social insurance" AND "utilisation" AND "satisfaction"
- "ESI awareness" OR "health insurance India"
- "social security perception" AND "organised sector"

Boolean operators (AND, OR), phrase searching (using quotation marks), and filters (such as language: English; document type: journal articles) were used to refine search results. The time frame was not restricted to allow inclusion of both foundational and recent studies, ensuring a robust historical and current understanding.

The initial pool of articles was screened based on titles and abstracts, and only those meeting the predefined inclusion criteria were reviewed in full text.

3.3 Inclusion and Exclusion Criteria:

To ensure the relevance and quality of studies included in this review, the following inclusion and exclusion criteria were applied:

3.4 Inclusion Criteria

- **Topical relevance:** Studies had to focus on employee perception, awareness, utilisation, satisfaction, or accessibility related to the Employees' State Insurance (ESI) Scheme or comparable social insurance programs.
- **Geographic focus:** Priority was given to studies conducted in India, particularly those examining state-level or national-level implementation of the ESI Scheme.
- **Study type:** Both qualitative and quantitative empirical studies, as well as mixed-methods research, were included. These could involve surveys, interviews, or secondary data analysis.
- **Language:** Only articles published in English were included.
- **Publication type:** Peer-reviewed journal articles, research reports, and government-backed academic publications were accepted.

3.4.1 Exclusion Criteria:

- **Irrelevant focus:** Articles that addressed insurance schemes outside the scope of ESI or focused solely on technical actuarial calculations without referencing employee perception were excluded.
- **Theoretical-only studies:** Papers that provided purely conceptual discussions without empirical support or relevance to the Indian context were excluded.
- **Duplicate findings:** Only the most comprehensive or recent version was retained when multiple papers presented the same data or conclusions from the same dataset.
- **Non-accessible full texts:** Studies for which full texts could not be obtained through public databases or institutional access were excluded from detailed analysis.

This screening process helped refine the literature base to those most aligned with the objectives of this review, ensuring both rigor and relevance.

3.4.2 Framework for Analysis

This review employs thematic analysis as its primary analytical framework to systematically interpret and compare findings from the selected literature. This method is suitable for capturing patterns in qualitative data and has been widely used in studies on employee engagement, perception, and policy impact.

The analysis followed these key steps:

- (1) **Data Extraction:** Information such as authorship, study design, population, objectives, and key findings was extracted into a standardised matrix.

- (2) **Inductive Coding:** Studies were coded based on recurring concepts related to ESI perception, including awareness levels, service accessibility, satisfaction with benefits, and perceived administrative barriers.
- (3) **Theme Development:** Codes were grouped into overarching themes, such as:
 - Awareness and knowledge gaps
 - Trust and satisfaction with service quality
 - Accessibility challenges
 - Employee expectations vs. policy delivery
- (4) **Synthesis and Interpretation:** The themes were compared across studies to identify trends, policy gaps, and implications for reform.

This approach mirrors the method employed by Rajashekar and Jain (2023), who used Braun and Clarke's thematic analysis model to assess employee engagement in well-being initiatives. Their study demonstrates how thematic analysis can provide deep insights into subjective employee experiences across sectors (Rajashekar & Jain, 2023) [6].

4. THEORETICAL FRAMEWORK :

4.1 Relevant Theories:

This review is grounded in Social Exchange Theory (SET) and the Theory of Reasoned Action (TRA), which both offer valuable lenses for understanding how employees interpret and respond to social insurance policies like the ESI Scheme.

Social Exchange Theory posits that individuals evaluate relationships and institutional offerings based on perceived costs and benefits. Applied to the ESI context, employees are more likely to engage with and utilise ESI benefits when they perceive that the scheme provides tangible returns, such as reliable healthcare and income security, in exchange for their contributions. The theory helps explain the variations in trust, compliance, and satisfaction among insured workers (Mohapatra et al., 2024; Yin, 2019) [5]. [7]. Furthermore, fair and trustworthy HR practices and the perception of reciprocal value in organizational investments, like social insurance, are essential for motivating employees to participate and remain engaged (Gould-Williams & Davies, 2005; Jung & Takeuchi, 2019) [8], [9]. Poor service delivery and perceived inequity in benefit returns—common criticisms of ESI—can weaken this exchange relationship (Mishra & Talreja, 2022) [10].

4.2 Conceptual Understanding of Employee Perception:

In public policy and insurance contexts, employee perception refers to an individual's subjective interpretation of and response to organisational programs, policies, or services based on their personal experiences, social interactions, and expectations. It encompasses both cognitive assessments (e.g., understanding benefits) and emotional responses (e.g., satisfaction or frustration). These perceptions influence whether an employee trusts, utilises, and advocates for a scheme such as the Employees' State Insurance (ESI) program.

Perception is often shaped by the visibility of benefits, the quality of service delivery, and the clarity of policy communication. For instance, even eligible employees may underutilise an insurance scheme if it is perceived as bureaucratically complex or unreliable. On the other hand, positive perceptions can drive engagement, compliance, and even policy loyalty.

In the context of public policy and insurance programs, *employee perception* refers to an individual's subjective understanding and reaction to organizational schemes such as the Employees' State Insurance (ESI) program. This perception is shaped by personal experiences, social influences, and expectations, encompassing both cognitive evaluations (e.g., comprehension of benefits) and emotional responses (e.g., satisfaction, frustration) (Schneider et al., 2013) [11].

Perceptions significantly affect whether an employee trusts, utilizes, or advocates for a given scheme. Factors such as the visibility of benefits, efficiency of service delivery, and clarity of policy communication play a critical role. For instance, even eligible employees may avoid using ESI services if the scheme is perceived as bureaucratically burdensome or unreliable. Conversely, positive perceptions foster greater engagement, higher utilization, and stronger compliance, thereby enhancing the policy's effectiveness and credibility (Nielsen & Randall, 2012) [12].

A study by Festus (2016) demonstrated that employee perceptions strongly influenced their decision to purchase and use insurance products, underscoring how trust, perceived value, and administrative experience affect insurance behaviour in institutional settings (Festus, 2016) [13].

5. OVERVIEW OF THE ESI SCHEME :

The Employees' State Insurance (ESI) Scheme is a pioneering social security initiative in India, designed to provide industrial workers with medical care and financial protection. Established under the ESI Act of 1948 and implemented from 1952, the scheme is administered by the Employees' State Insurance Corporation (ESIC). Its goal is to safeguard employees against health-related and economic contingencies such as sickness, maternity, disability, and death due to employment-related injuries (Ahuja, 2020) [14]. Operating on a self-financing model with joint contributions from employers and employees, ESI funds an array of benefits including full medical care, sickness compensation (70% of wages for up to 91 days), maternity coverage, and pensions for dependents of deceased workers (Prasanth & Praveenraj, 2021) [15]. The scheme's coverage has grown significantly, now including workers from educational, retail, hospitality, and entertainment sectors, provided they meet employee thresholds defined by law (Satpathy et al., 2012.) [16].

Despite this expansion, operational challenges persist. Beneficiary awareness remains low in many regions, particularly in semi-urban and rural areas, affecting both enrollment and benefit utilization (Premajyothi., 2023) [17]. Service delivery inefficiencies, such as inadequate communication and infrastructure, further hinder effectiveness. For example, in Odisha, nearly 40% of ESIC hospital staff expressed dissatisfaction with work conditions, pointing to institutional inefficiencies that can ripple down to beneficiaries (Satpathy et al., 2012) [18]. Similar gaps are seen in specialized services such as dental care, which are covered under the scheme but suffer from underutilization due to poor awareness and access (Kadaluru & Naryanappa, 2022) [19]. These findings highlight the pressing need for targeted reforms in awareness-building, digital integration, and institutional accountability to fully realize the potential of the ESI Scheme (Chellasamy, 2018) [20].

5.1 History and Evolution:

The Employees' State Insurance (ESI) Scheme, established under the ESI Act of 1948, marked India's first major legislative step toward formal social protection for industrial workers. The scheme became operational in 1952 and is administered by the Employees' State Insurance Corporation (ESIC). It was developed in the backdrop of post-independence planning and was influenced by global trends in social insurance emerging from the Beveridgean and Bismarckian welfare models.

The ESI Scheme was conceived as a contributory insurance mechanism in which employers and employees pay a fixed percentage of wages toward a common fund. This fund provides insured persons with comprehensive medical care, cash compensation for wage loss, and other contingency benefits like maternity, disability, and dependent support.

Historian Ravi Ahuja (2020) highlights that the scheme arose from colonial-era labour debates, war-time economic planning, and post-independence aspirations to institutionalise social rights. However, unlike universal welfare models, ESI was distinctly employment-based, creating formal-informal divisions in access to state support (Ahuja, 2020) [20].

5.2 Key Features and Benefits:

The Employees' State Insurance (ESI) Scheme is a comprehensive social security initiative designed to offer economic and medical protection to Indian workers in times of sickness, disability, maternity, or work-related injury. Key features and benefits include:

- (1) **Medical Benefits:** Insured persons and their dependents receive full medical care without cost ceilings at ESIC hospitals and dispensaries, covering outpatient and inpatient care, specialist services, and super-speciality referrals.
- (2) **Cash Benefits:**
 - **Sickness Benefit:** 70% of wages for up to 91 days in a year during certified illness.
 - **Maternity Benefit:** Full wage compensation for 26 weeks.
 - **Disablement Benefit:** Monthly pension in case of permanent disability and daily compensation for temporary disability.

- **Dependents' Benefit:** Financial compensation to surviving family members in the event of death due to occupational hazards.
- (3) **Other Benefits:**
- **Funeral expenses** reimbursement.
 - **Rehabilitation allowance** for disabled individuals.
 - **Vocational training** support in select cases.

These benefits are delivered through a self-financing contributory structure, where employers and employees contribute a percentage of wages to fund the scheme. The scope of the ESI Scheme now extends to various sectors such as hospitality, cinema, and transport establishments employing 10 or more people.

According to Prasanth and Praveenraj (2021), the ESI framework uniquely blends medical insurance with direct income support, making it one of India's most multidimensional labor welfare mechanisms (Prasanth et al., 2021) [21].

5.3 Governance and Implementation Mechanisms:

The Employees' State Insurance Corporation (ESIC) is the statutory and administrative body responsible for implementing and managing the ESI Scheme across India. Under the Ministry of Labour and Employment, the ESIC oversees contributions collection, benefit disbursement, hospital administration, and compliance enforcement.

The ESIC functions through a network of regional offices, dispensaries, and hospitals, ensuring the delivery of services to insured persons and their dependents. It collaborates with state governments responsible for medical care through ESIS hospitals, while the central ESIC handles cash benefits and policy administration.

Governance involves a tripartite structure, including representatives from the government, employers, and employees, which helps to balance stakeholder interests. However, implementation has been criticised for bureaucratic delays, limited awareness among beneficiaries, and uneven service quality across states.

As Baishya et al. (2015) observe, while ESIC has created a vast infrastructure, the public perception of the Corporation is mixed, and issues like poor grievance redressal, staffing shortages, and service inefficiencies persist in several regions (Baishya et al., 2015) [22].

6. REVIEW OF LITERATURE :

This section critically examines existing empirical and theoretical studies on employee perceptions of the Employees' State Insurance (ESI) Scheme, focusing on awareness, satisfaction, utilisation patterns, and implementation challenges.

6.1 Awareness and understanding of ESI Among Employees:

Employee awareness of the Employees' State Insurance (ESI) Scheme plays a vital role in the extent to which its benefits are utilised. Awareness includes understanding eligibility, contributions, and the scope of available benefits such as medical, maternity, and disability support. Low awareness often results in underutilisation, misconceptions, or reliance on private healthcare, undermining the scheme's purpose.

A recent study conducted in Chalakudy, Kerala, found that while many employees were registered under the scheme, a significant proportion lacked explicit knowledge about specific entitlements and procedures. The research highlighted that only a minority of the workforce was fully informed about claiming benefits or accessing services, suggesting a gap between enrolment and engagement. Improving informational outreach and simplifying procedures were recommended to bridge this awareness gap (Sneha Sasidharan & T.G. Manoharan, 2022) [23].

6.2 Utilisation Patterns of ESI Benefits:

While awareness of the Employees' State Insurance (ESI) Scheme has grown, utilisation of benefits remains uneven across sectors and regions. Utilisation depends on multiple factors, including administrative ease, perceived service quality, and proximity of healthcare facilities. Employees aware of their entitlements may still underutilise benefits due to bureaucratic delays, long wait times, or lack of guidance on claims processes.

A 2021 study by Prasanth and Praveenraj found that although many of the surveyed employees in Tamil Nadu were aware of the ESI Scheme, only a fraction had availed themselves of its full range of benefits. The study revealed that sickness and medical benefits were the most commonly accessed, while maternity and disability benefits were significantly underutilised due to procedural complexity and lack of awareness of claim eligibility. The authors emphasise the need for digital streamlining of claim processes and more robust employee orientation programs to enhance benefit uptake (Prasanth et al., 2021) [21].

6.3 Satisfaction Levels and Perceived Service Quality:

Satisfaction with the Employees' State Insurance (ESI) Scheme depends heavily on how employees perceive service quality. These perceptions are shaped by waiting times, staff responsiveness, infrastructure, and the ease of availing benefits. High satisfaction levels often correlate with increased utilisation and trust in the public insurance system.

A study conducted by Chellasamy (2018) in Kerala revealed considerable regional variation in employee satisfaction with ESI services. The research found that 35% of the variance in satisfaction was directly explained by the level of employee awareness, highlighting that service quality is not only a function of infrastructure but also of communication and clarity in processes. The study also recommended simplifying formalities and increasing outreach efforts to improve overall satisfaction (Chellasamy, 2018) [20].

6.4 Challenges Faced by Employees:

Despite its extensive coverage and benefits, the Employees' State Insurance (ESI) Scheme continues to face implementation challenges that directly affect employee experience. These challenges range from service quality and administrative delays to infrastructural deficits and complex claim procedures.

Common issues reported by insured persons include:

- Long waiting times at ESIC hospitals
- Unresponsive or understaffed service points
- Cumbersome paperwork and lack of digital integration
- Lack of transparency in the claims process
- Insufficient awareness campaigns leading to underutilisation of benefits

A study by Prerna Garg (2018) analysing service delivery under ESIC hospitals in Rajasthan highlights that public perception of the scheme remains poor due to inconsistent service quality and administrative inefficiencies. The study concluded that insured employees often feel neglected and that the Corporation has not adequately prioritised customer-centric reforms (Garg, 2018) [24].

These challenges not only discourage the usage of ESI benefits but also weaken public trust in state-sponsored social insurance mechanisms.

6.5 Comparative Studies:

Comparative studies between public and private insurance schemes provide insight into how employees perceive service delivery, accessibility, and trust in institutional mechanisms. Such comparisons help identify the relative strengths and weaknesses of schemes like the ESI, which operates in the public domain.

A study by Gupta (2016) used the SERVPERE model to analyse customer perceptions of service quality in India's public and private general insurers. The findings revealed that private insurers were generally perceived as offering better service, particularly in dimensions like empathy, responsiveness, and convenience. Public insurers lagged in personalisation and timeliness, directly affecting user satisfaction and continued engagement. These results underline the importance of customer service experience in shaping perception, even when benefit structures are similar (Gupta, 2016) [25].

Such comparisons are especially relevant to schemes like ESI, where consistent service quality and user experience are key to improving employee trust and benefit utilisation.

7. CRITICAL ANALYSIS AND SYNTHESIS :

The literature on employee perceptions of the ESI Scheme reveals recurring patterns related to awareness, satisfaction, and systemic challenges. Across studies, one consistent theme is that awareness

does not guarantee utilisation, and perceived service quality often determines whether insured persons engage with the scheme.

Multiple studies, including recent work by Bansal and Goel (2022), report that employee satisfaction with ESI medical services is moderate to low, particularly in administrative ease, responsiveness of medical staff, and claim settlement times. Their study emphasised that structural inefficiencies, such as long queues, outdated infrastructure, and lack of patient-centric care models, contribute to a perception gap between policy promises and user experience (Bansal & Goel, 2022) [26].

Moreover, although some regional studies indicate pockets of strong satisfaction—often due to proactive local administration, others suggest that inconsistency across ESIC branches undermines public trust. This points to a broader issue: implementation effectiveness varies significantly by geography, sector, and administrative leadership.

Overall, the synthesis suggests that policy success is not just a function of design but also of perception management, frontline delivery, and ongoing user engagement.

7.1 Emerging Themes from Literature:

A review of the existing literature on employee perceptions of the ESI Scheme reveals several recurring and interrelated themes:

- (1) **Low Awareness and Information Gaps:** Many employees are enrolled in the ESI Scheme but lack clarity on the benefits available to them, eligibility criteria, and claim procedures. This informational disconnect limits utilisation and weakens trust in the scheme.
- (2) **Underutilisation Despite Eligibility:** Studies consistently highlight that eligible employees often do not fully access ESI services, especially for maternity, disability, or dependent benefits, primarily due to procedural complexity and lack of proactive communication from authorities.
- (3) **Inconsistent Service Quality:** Perceptions of ESIC service quality vary greatly across regions. While some hospitals offer responsive, efficient care, others are marked by staff shortages, long waiting times, and bureaucratic delays. These inconsistencies erode public trust in the system.
- (4) **Administrative and Procedural Barriers:** Complex paperwork, long queues, and lack of digital integration are frequently cited as barriers. Employees often report frustration with claim processing and a lack of accessible grievance redressal mechanisms.
- (5) **Impact of Perception on Participation:** A critical insight is that perception—not just policy content—directly influences scheme participation. Even well-designed benefits are underutilised if employees perceive the system as slow, opaque, or unreliable.

These themes are supported by findings from Chellasamy's regional study in Kerala, which notes that 35% of the variation in satisfaction levels was attributable to differences in employee awareness—highlighting the central role of perception in determining policy outcomes (Chellasamy, 2018) [20].

7.2 Gaps in Existing Research:

Despite a growing body of literature on employee perceptions of the ESI Scheme, several notable gaps persist that limit the scope and generalizability of findings:

- (1) **Underrepresentation of Informal and Contractual Workers:** Most studies focus on employees in large-scale industries or urban areas, while informal and contractual workers—who often lack awareness and face greater access barriers—remain excluded mainly from detailed analysis.
- (2) **Lack of Longitudinal Data:** There is limited research tracking how employee perceptions evolve, especially in response to reforms, awareness campaigns, or digital interventions.
- (3) **Regional and Sectoral Imbalances:** Current literature is heavily skewed toward a few states (like Kerala and Tamil Nadu), with minimal coverage of underrepresented states and industrial sectors like mining, agriculture, or small enterprises.
- (4) **Insufficient Behavioral Analysis:** While most studies examine satisfaction or awareness, very few apply behavioral frameworks to understand how trust, social influence, or risk perception shape participation in ESI.
- (5) **Limited Use of Mixed Methods:** Many studies rely on cross-sectional surveys, with little integration of qualitative insights that could explain deeper attitudes and systemic challenges.

Puja Kumari's systematic literature review (2025) reinforces many of these concerns in her study of welfare programs for coal mine workers in Jharkhand. She notes the exclusion of informal workers, the need for more comprehensive regional data, and the fragmentation of research across schemes, all of which apply directly to the broader ESI context (Kumari, 2020) [27].

7.3 Conflicting Findings and Their Implications:

Despite a shared focus on evaluating employee perceptions of the ESI Scheme, the literature presents several conflicting findings regarding service satisfaction and benefit utilisation, often shaped by geographic and institutional contexts.

For instance, Patel and Patel (2019) found that patients in Gujarat's ESIC hospitals reported high satisfaction levels with outpatient services—especially regarding drug availability, doctor behaviour, and wait times. This suggests a well-functioning service model in those regions where employee perceptions align positively with actual service delivery (Jayantkumar & Dasharathbhai, 2019) [28].

In contrast, Garg (2018) documented persistent dissatisfaction among insured employees in Rajasthan, citing poor grievance mechanisms, limited medical responsiveness, and bureaucratic delays. Her findings highlight systemic issues in service quality that continue to undermine trust in the scheme (Garg, 2018) [24].

These contradictions imply that ESI implementation is highly localised in performance and that national averages may mask substantial regional disparities. For policymakers, this indicates the need for targeted reforms based on real-time feedback from specific districts and a shift toward employee-centred monitoring and evaluation mechanisms.

8. DISCUSSION :

This section interprets the key findings of the literature review, explores their broader implications for policy and practice, and offers critical insights into how employee perception shapes the effectiveness of the ESI Scheme in India.

8.1 Interpretation of Findings in the Context of Policy Goals:

The primary policy goals of the Employees' State Insurance (ESI) Scheme are to provide universal access to social protection, reduce health-related financial risk, and ensure dignified economic security for workers. However, the findings from the literature indicate that while the scheme's legal framework aligns well with these goals, actual implementation often falls short.

The widespread gaps in employee awareness, inconsistent service quality, and underutilisation of entitlements suggest that the ESI Scheme is still struggling to translate its policy vision into effective practice. Although the infrastructure exists, a lack of effective outreach and administrative responsiveness limits the scheme's ability to meet its core objectives.

Bhat (2017) highlights this disconnect clearly in his study of Jammu and Kashmir, where, despite policy provisions, many workers remained dissatisfied with medical services and excluded from benefits like maternity or dependent support. This indicates a mismatch between what the policy aims to guarantee and what the insured population experiences on the ground (Bhat, 2017) [29].

These findings suggest that fulfilling the ESI Scheme's policy goals will require increased investment in infrastructure and strategic reforms that centre on employee experience, digital service access, and proactive communication.

8.2 Impact of Employee Perceptions on Scheme Success:

Employee perception is critical in determining the real-world success of social insurance schemes like the Employees' State Insurance (ESI) Scheme. Positive perceptions—shaped by awareness, accessibility, and service satisfaction—enhance participation, compliance, and trust. Conversely, negative perceptions can reduce utilisation, foster disengagement, and lead to underreporting of needs. A study by Chellasamy (2018) in Kerala showed that differences in awareness explained 35% of the variance in employee satisfaction with the ESI Scheme. This indicates that the more informed and confident employees are about the scheme, the more likely they will access and benefit from it. The study concluded that perception is not merely a reflection of service delivery but a determinant of whether services are used, directly influencing the scheme's effectiveness and legitimacy (Chellasamy, 2018) [20].

These findings emphasise that improving employee perception through communication, education, and user-friendly service delivery is not a supplementary task—but a central

9. RECOMMENDATIONS FOR FUTURE RESEARCH AND POLICY REFORMS :

Based on the review and synthesis of existing literature, several key recommendations emerge for both researchers and policymakers to enhance the effectiveness of the Employees' State Insurance (ESI) Scheme:

9.1 Recommendations for Future Research:

- (1) **Include Informal Sector Workers:** Future studies should examine how the ESI framework can be expanded or adapted to cover informal and contractual workers who currently fall outside the scheme's reach.
- (2) **Longitudinal and Impact Studies:** Research should track how employee perceptions evolve, especially in response to administrative reforms, digital integration, or awareness campaigns.
- (3) **Mixed-Methods Approaches:** Incorporating qualitative methods like interviews and focus groups alongside surveys can yield more profound insights into how employees interpret and experience the scheme.
- (4) **Comparative Analyses:** Studies comparing ESI with other public or private insurance programs can help identify best practices and areas for harmonisation.

9.2 Recommendations for Policy Reforms:

- (1) **Simplify Access and Procedures:** Streamlining administrative processes, reducing paperwork, and integrating digital claim systems can significantly improve the user experience.
- (2) **Enhance Awareness Campaigns:** Launch targeted communication strategies using vernacular materials and community outreach, especially for low-awareness regions and industries.
- (3) **Service Quality Monitoring:** Establish region-specific performance metrics and feedback systems to ensure consistency across ESIC branches.
- (4) **Expand Coverage:** Redesign eligibility criteria to gradually include vulnerable workers in the informal sector, supported by state subsidies or employer incentives.
- (5) **Strategic administrative improvements and employee-centric governance:** To enhance administrative responsiveness and perception-driven participation in the ESI Scheme, adopting a strategic institutional reform framework is essential. Aithal (2016) emphasizes the importance of aligning organizational vision, mission, and stakeholder values to increase institutional effectiveness and trust. His strategic models—originally applied in higher education—are equally relevant for public policy implementation, particularly in service delivery schemes where perception and engagement determine policy success. These models advocate integrated digital strategies, transparent grievance mechanisms, and vision-driven governance that can be adapted to the ESI Corporation to bridge the policy-practice gap and improve employee satisfaction (P. S. Aithal, 2016; S. Aithal & Aithal, 2020) [30], [31]

Puja Kumari's systematic review of welfare policies for coal miners in Jharkhand reinforces these recommendations, emphasising the urgent need to broaden coverage, improve healthcare access, and address service delivery gaps in existing social insurance programs like ESI (Kumari, 2020) [27].

10. CONCLUSION :

This concluding section summarises the significant findings of the review and reflects on the critical role that employee perception plays in shaping the success and policy impact of the Employees' State Insurance (ESI) Scheme.

10.1 Summary of Key Insights:

The literature reviewed reveals several important insights into employee perceptions of the ESI Scheme:

- **Awareness is foundational:** Low awareness is a key barrier to benefit utilisation, even among eligible employees.
- **Perception drives participation:** Employees' trust in the system, shaped by service experience and communication, directly influences whether they engage with the scheme.

- **Service quality is uneven:** Satisfaction with ESI services varies widely by region, indicating disparities in implementation and the need for localised improvements.
- **Policy-practice gaps persist:** Although the ESI Scheme is comprehensive in design, administrative complexity and lack of transparency hinder its effectiveness.
- **Reform must be perception-centred:** Improving outreach, simplifying processes, and building user trust are essential to fulfilling the scheme's policy goals.

These insights underline the fact that policy design alone is insufficient; employee experience and perception are central to ensuring meaningful access and impact.

10.2 Final Remarks on the Role of Perception in Policy Impact:

Employee perception is not merely a byproduct of policy implementation—it is a determinant of policy success. As seen in the case of the ESI Scheme, even well-intentioned and structurally sound welfare programs can falter if beneficiaries perceive them as inaccessible, inefficient, or irrelevant.

Perception influences trust, utilisation, and engagement, all essential for a scheme's legitimacy and sustainability. Therefore, social insurance policies must be designed and delivered in ways that prioritise user experience, responsiveness, and transparency to meet their intended goals.

In short, aligning institutional performance with employee expectations is not just a service improvement but a policy imperative.

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