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RESEARCH ARTICLE

EFFECT OF AWARENESS ON EMPLOYEES' SATISFACTION TOWARDS ESI SCHEME

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ABSTRACT

The Employees' State Insurance Scheme as per the ESI Act provides social protection to employees in the organized sector and their dependents. This study mainly conducted to analyse the effectiveness of awareness on ESI scheme on satisfaction of employees enrolled in ESI scheme in Kerala. The effect of awareness about ESI scheme on employees' satisfaction towards ESI scheme is explored by structural equation model. There is a significant impact on the employees of all ESIC regions in Kerala as they are more aware and satisfied about the benefits of ESI scheme. Awareness about cash benefits and medical benefits are main influencing factors on the awareness about ESI scheme. Confirmatory factor analysis asserts that satisfaction on the services provided by the ESI hospitals and the sense of social security are the major contributing factors for raising the level of satisfaction of employees towards ESI scheme. Though awareness on ESI schemes has pointed a positive effect on satisfaction level, more efforts are needed. This gap can be compensated by conducting various awareness programs and promotional activities regarding the scheme.

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INTRODUCTION

Social security schemes are mainly implemented to protect the poor community of the nation and guarantee them a standard of living. The programmes like, pension, unemployment, and health care are allied with the social security measures. It provides financial security to such an extent that it becomes an integral part of the development process as it creates a positive attitude which will lead to efficiency and higher productivity (Planning Commission, 2006). The effectiveness of these schemes depends upon the awareness and satisfaction of the beneficiaries (Kumar, Porkalai and Arokiadass, 2017). The awareness is directly influencing the satisfaction of the individuals (Zheng and Poranki, 2015) and awareness and satisfaction are positively correlated with the intensions of a person (Yuan and Jang, 2008). ESIC has played a significant role in providing social security to millions of workers in the organized sector. It is the only social security organization in the country which provides insurance coverage for exigencies related to health, maternity, disablement, death and employment. In this paper an effort has been made to analyze the effect of awareness about ESI scheme on the satisfaction of employees towards the ESI scheme.

STATEMENT OF THE PROBLEM: Awareness, attitude, satisfaction and organizational support have a significant impact on the individual performance of employees As in the case of organizations, awareness plays a crucial role in the utilization of

social security schemes which in due course leads to satisfaction. Ultimately it upturns the efficiency of the employees in their work place. In 1956, India's first social security measure, ESI scheme was implemented in Kerala. ESIC and the state have a role in the effective running of the institutional infrastructure in terms of investing the benefits and ensuring the proper deployment of benefits to the employees. So it is imperative to evaluate the effectiveness of awareness to explore the satisfaction of employees enrolled in ESI scheme.

OBJECTIVE OF THE STUDY

To explore the effect of awareness about ESI scheme on employees' satisfaction towards ESI scheme

HYPOTHESIS OF THE STUDY

- The awareness about the ESI scheme does not have positive effect on satisfaction of employees towards ESI scheme

RESEARCH METHODOLOGY

The study is descriptive in nature and based on primary data. The primary data is collected from the respondents of five regions of Kerala based on structured interview schedule and the sample size is 400. The Regions are Ernakulam, Kollam, Kozhikode, Thrissur and Trivandrum. The effect of awareness about ESI scheme on employees' satisfaction towards ESI scheme is explored by SEM

model. It is a multivariate analysis technique used to analyse the relation between measured variables and latent constructs.

SCOPE OF THE STUDY: The Employees' State Insurance Scheme as per the ESI Act provides social protection to employees in the organized sector and their dependents. This study mainly conducted to analyse the effectiveness of awareness on ESI scheme on satisfaction of employees enrolled in ESI scheme in Kerala. Awareness and satisfaction of employees from five ESI regions were collected for the study. Awareness covers general awareness about ESI scheme, medical benefits, cash benefits like sickness, disablement and maternity benefits. Satisfaction of employees includes satisfaction about ESI Corporation, ESI benefits and hospital.

EFFECT OF AWARENESS ON SATISFACTION TOWARDS ESI SCHEME

The effect of awareness about ESI scheme on the satisfaction of employees towards the ESI scheme is explored by using structural equation modeling. It is a powerful multivariate analysis technique and it is a tool to investigate the relationship (Crouch and Mason, 2018) between the variables. It is a combination of factor analysis and regression analysis. Confirmatory factor analysis is the extension of factor analysis and it specifies the factor loadings and intercorrelations of constructs in the model. CFA is used for analyzing the employees' awareness about ESI Scheme. It is necessary to establish convergent and discriminant validity as well as reliability for doing a Confirmatory factor analysis. Confirmatory factor analysis (CFA) is a statistical technique used to verify the factor structure of a set of observed variables. CFA allows the researcher to test the hypothesis that a relationship exists between observed variables and their underlying latent constructs exists (Hof, Dinsmore, Barber, and Suhr, 2009). The factors have to demonstrate adequate validity and reliability. Construct validity is measured by convergent validity and discriminant validity. Reliability of the items in the analysis is evaluated by Cronbach' Alpha values and composite reliability.

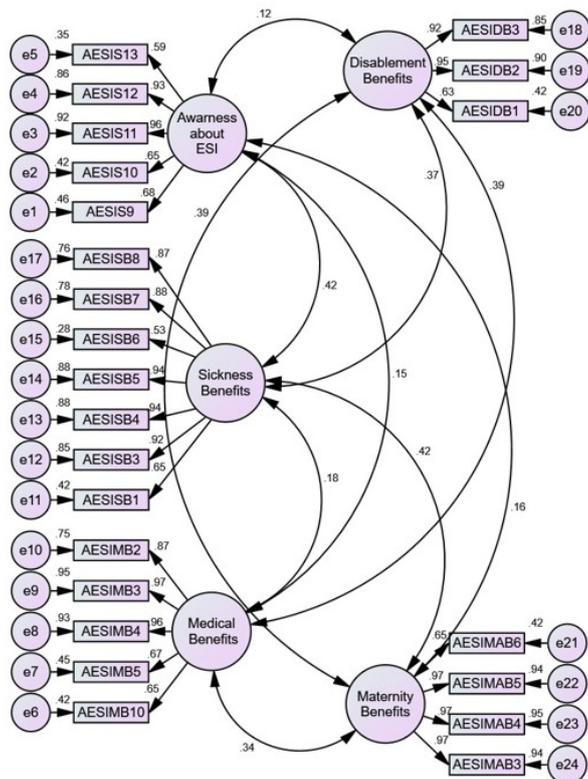


Figure 1. Shows the confirmatory analysis of employees' awareness about ESI scheme

It is inferred from Table 1 that reliability test has been performed after the final data collection. The final values of Cronbach's Alpha are found to be greater than 0.6 which confirms the reliability of the variables used to measure the construct. The composite reliability values are found to be higher than 0.6 which indicates that all the constructs have high level of internal consistency reliability. The average variance extracted (AVE) values are also found to be above the threshold value of 0.5. Thus, it can be inferred that the five constructs have high levels of convergence. As all the parameters report the prescribed value, the data is appropriate for further analysis and model building. Table 2 reports that the values of AVE and squared correlations. Values in brackets are AVE scores which should be greater than the squared correlation values to establish non-existence of any relationship. It can be inferred that no relationship exists among the constructs and discriminant validity for the awareness about ESI scheme is established. Table 3 depicts the CFA model fit indices to assess the overall model fit. The value of Chi-Square (CMIN/DF) to the degrees of freedom ratio for an acceptable model should be less than 5. In this case, the value is 3.499 which is very well within the suggested maximum value. T Root Mean Square Error of Approximation (RMSEA) score is 0.042, well below the accepted threshold score of 0.08. Moreover, Goodness of Fit Index (GFI) and Adjusted Goodness of Fit Index (AGFI) values are greater than 0.9 and Comparative Fit Index (CFI) is above 0.9 for which 1.0 indicates exact fit. Thus, the model is a good fit and can be considered for further analysis. Confirmatory Factor Analysis for Satisfaction towards ESI Scheme. Figure 2 exhibits the confirmatory factor analysis for employees' satisfaction towards ESI scheme and table 4 portrays the final reliability and validity for employees' satisfaction towards ESI scheme.

It is inferred from Table 4 that all the parameters report the prescribed value, the data are appropriate for further analysis and model building. The following table presents the discriminant validity for employees' satisfaction towards ESI scheme. Table 5 displays the values of AVE and squared correlations. Values in brackets are AVE scores which should be greater than the squared correlation values to establish non-existence of any relationship. It can be inferred that no relationship exists among the constructs and discriminant validity for the satisfaction towards ESI scheme is established.

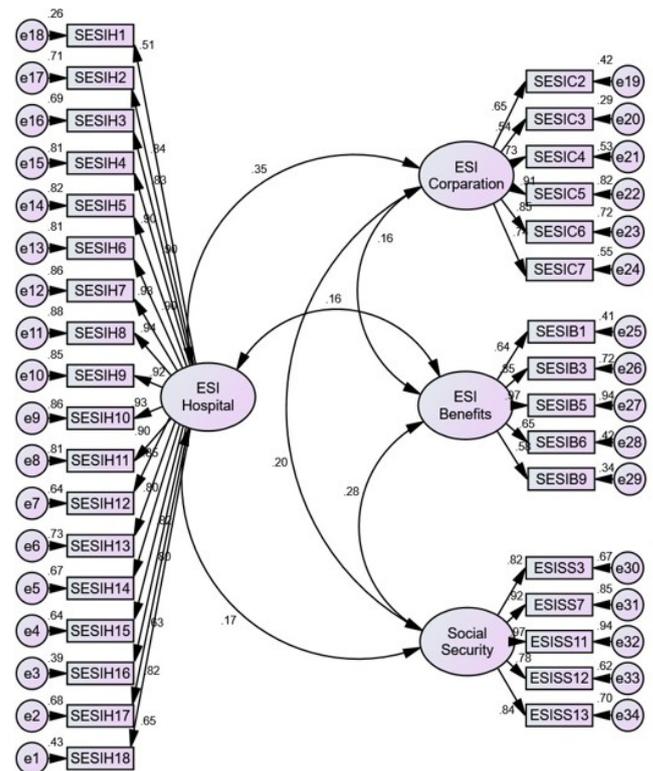


Figure 2. Confirmatory Factor Analysis for Employees' Satisfaction towards ESI Scheme

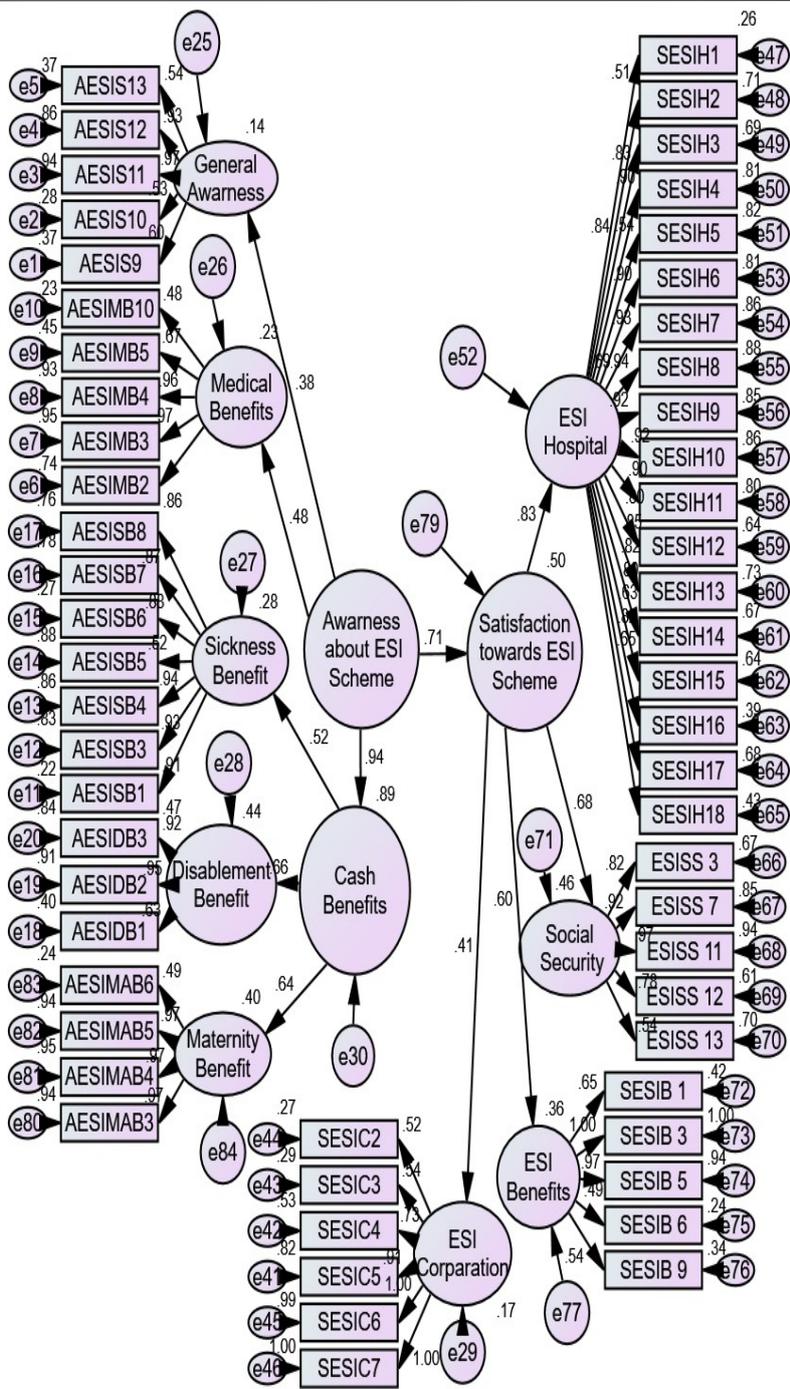


Figure 3. Structural Equation Modeling

Table 1. Reliability and Validity for Employees’ Awareness about ESI Scheme

Construct	Cronbach’s Alpha Final	AVE	Composite Reliability	
General Awareness About ESI Scheme(AESIS)	0.826	0.604	0.880	
Medical Benefits (AESIMB)	0.873	0.698	0.918	
Cash Benefits	Sickness Benefit (AESISB)	0.921	0.604	0.939
	Disablement Benefits (AESIDB)	0.867	0.715	0.880
	Maternity Benefits (AESIMAB)	0.911	0.811	0.944

Table 2. Discriminant Validity for Employees’ Awareness about ESI Scheme

CONSTRUCT	AESIS	AESMB	CASH BENEFITS		
			AESISB	AESIDB	AESIMAB
AESIS	(0.777)				
AESMB	0.023	(0.835)			
AESISB	0.176	0.032	(0.832)		
AESIDB	0.014	0.152	0.137	(0.846)	
AESIMAB	0.026	0.116	0.176	0.152	(0.901)

Table 3. Model Fit Indices for Employees' Awareness about ESI Scheme

Model	CMIN/DF	P-Value	GFI	AGFI	CFI	RMSEA
Study Model	3.499	0.000	0.998	0.988	0.997	0.042
Recommended Value	Acceptable fit (1-5)	Greater than 0.05	Greater than 0.9	Greater than 0.9	Greater than 0.9	Less than 0.08

Table 4. Final Reliability and Validity for Satisfaction towards ESI Scheme

Construct	Cronbach's Alpha Final	AVE	Composite Reliability
ESI Hospital (SESIH)	0.973	0.834	0.976
ESI Corporation (SEISC)	0.913	0.558	0.880
ESI Benefits (SESIB)	0.856	0.727	0.863
Social Security (ESISS)	0.939	0.869	0.939

Table 5. Discriminant Validity for Satisfaction towards ESI Scheme

CONSTRUCT	SESIH	SEISC	SESIB	ESISS
SESIH	(0.834)			
SEISC	0.144	(0.747)		
SESIB	0.026	0.026	(0.856)	
ESISS	0.029	0.040	0.078	(0.939)

Table 6. Model Fit Indices for Employees' Satisfaction towards ESI Scheme

Model	CMIN/DF	P-Value	GFI	AGFI	CFI	RMSEA
Study model	4.749	0.000	0.937	0.923	0.940	0.051

Table 7. Model Fit Indices for effect of awareness about ESI scheme on employees' satisfaction towards ESI Scheme

Model	CMIN/DF	P-Value	GFI	AGFI	CFI	RMSEA
Study model	4.127	0.000	0.948	0.933	0.952	0.047

Table 8. Effect of Awareness about ESI Scheme on Satisfaction towards ESI Scheme

Awareness about ESI Scheme	<---	Satisfaction towards ESI Scheme	Standardized co-efficient (Beta)	t-value	P-value
			0.71	9.74	<0.001

** indicates significant @ 1% level

Table 9. Variables in the Structural Equation Model Analysis

Constructs		Standardized co-efficient (Beta)	t- value	P-value	Ranks Based on Beta Values
Awareness about ESI Scheme					
General Awareness	<--- Awareness about ESI Scheme	0.38	4.97	<0.001**3	
Medical Benefits	<--- Awareness about ESI Scheme	0.48	6.74	<0.001**2	
Cash Benefits	<--- Awareness about ESI Scheme	0.94	10.87	<0.001**1	
Satisfaction towards ESI Scheme					
ESI Hospital	<--- Satisfaction towards ESI Scheme	0.83	9.42	<0.001**1	
ESI Corporation	<--- Satisfaction towards ESI Scheme	0.41	5.98	<0.001**4	
ESI Benefits	<--- Satisfaction towards ESI Scheme	0.60	8.47	<0.001**3	
Social Security	<--- Satisfaction towards ESI Scheme	0.68	9.14	<0.001**2	

** indicates significant @ 1% level

Table 6 depicts the CFA model fit indices to assess the overall model fit. The value of Chi-Square to the degrees of freedom ratio for an acceptable model should be less than 5. In this case, the value is 4.749 which is very well within the suggested maximum value. Thus, the model is a good fit and can be considered for further analysis. Figure 3 represents the structural equation modeling of effect of awareness about ESI scheme on employees' satisfaction towards ESI Scheme and table 7 exposes the model fit indices for employees' awareness about ESI Scheme. Table 7 depicts the CFA model fit indices to assess the overall model fit. The value of Chi-Square to the degrees of freedom ratio for an acceptable model should be less than 4. In this case, the value is 4.127 which is very well within the suggested maximum value. The RMSEA score is 0.047, well below the accepted threshold score of 0.08. Table 8 reports the effect of awareness about ESI scheme on satisfaction towards ESI scheme and standardized beta coefficient of 0.71 denotes that employees' satisfaction towards ESI scheme is increased by 0.71 for every unit of standard deviation increase in employees' awareness about ESI scheme and this coefficient value is significant at one percent level. It is inferred from table 9 that standardized beta co-efficient of cash

benefits (0.94) is the most contributing factor to awareness about ESI scheme among the employees in Kerala followed by awareness about medical benefits (0.48). It is also clear from table that standardized beta co-efficient of satisfaction towards ESI hospital (0.83) is the most contributing factor to the employees' satisfaction towards ESI scheme followed by social security (0.68) that they are enjoying through ESI scheme.

SUGGESTIONS

Though awareness on ESI schemes has pointed a positive effect on satisfaction level, more efforts are needed to upturn the level of awareness of employees. In most of the cases employers must be the source the first hand information about ESI scheme and they are not that much aware about all the benefits of ESI. It is necessary to conduct awareness programmes and promotional activities to employers and employees in block and panchayat level to increase the knowledge and understanding of the scheme. It is suggested to increase the knowledge about the scheme by promoting through the

recent new media such as social and online media like Facebook, Youtube, Whatsapp etc.

CONCLUSION

ESI scheme is a major policy to provide social security primarily to cater the health needs of the low income employees and their dependents. There is a significant impact on the employees of all ESIC regions in Kerala as they are more aware and satisfied about the benefits of ESI scheme. Awareness about cash benefits and medical benefits are main influencing factors on the awareness about ESI scheme. Confirmatory factor analysis asserts that satisfaction on the services provided by the ESI hospitals and the sense of social security are the major contributing factors for raising the level of satisfaction of employees towards ESI scheme. Eventhough they have to face difficulties for availing the ESI benefits, they are ready to accept the risks, because it gives them some sort of safety, security and comfort in their day-to-day life specially for meeting the high health care costs.

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