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EMPLOYEE-EMPLOYER PERCEPTION TOWARDS HEALTHCARE SCHEME FOR EMPLOYEES OF BUSINESS ENTERPRISES IN BANGLADESH: AN EMPIRICAL STUDY

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Abstract:

There is an increasing need for the management of the large and medium scale businesses to provide health care schemes for their employees as people in all areas as well as commercial arena are becoming more health conscious. This study firstly aims at understanding the present status of health care facilities available at the workplace from the viewpoint of both employees and employers. The study then asked the respondents whether a health care scheme is feasible in their organizations and how could they benefited from the health care scheme. Some actions have been suggested in terms of the overall findings that were revealed in the study. Finally the prospect of such health care scheme has been evaluated to understand how far would employers go in keeping their workers happy for ensuring health care for this vulnerable sector.

1. Introduction:

Now it is the era of globalisation, which consequences a wide change in the socio-economic arena of each country either developed or underdeveloped. People around the world are now much conscious about their socioeconomic and personal right and safety. Due to the rapid industrialisation as the result of globalisation, the presence of technical and social development is undergoing rapid changes. The spread of mechanization and automation and the enormous discoveries of science and technology are influencing the look and feel of our environment and employees of every organisation and they are now seeking their health security in their work place as well as in their home. Now, work is the most significant indication of effective and productive existence of human being (Rashid et. al. 1999 p. 184). The workers and all the employees of an organisation and industry constitute an important and economically active segment of population and are, therefore, valuable people. But occupational accidents and diseases remain the most appalling human tragedy of modern industry and workplaces and this cause

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one of the most serious forms of economic waste. The industrial workers, as part of our general population are influenced by some factors necessary to their life i.e. housing, water, sewage, and waste disposal, nutrition and education (Park K. 1997, p. 542). The ILO and WHO declared some guidelines to provide a safe occupational environment to safeguard health of workers and to set up industrial production. In developed countries, extensive services are provided to the employees of their organisations by the government and employers. For this, the employers provide health care to their employees and workers through their own cost or deduct some charge from the employees. The insurance companies came ahead to provide this service. But in Bangladesh, as a developing country, more and more medium and large scale businesses and sole proprietorships are maturing and there is an increasing need for the management of these enterprises to provide health care scheme for their employees. Likewise, there is a potential market, which is fast growing among businesses, as people in areas as well as commercial arena are becoming more health conscious. At present, there is a growing need for health care providers within the commercial sector. The service standard and cost of treatment of existing competitors are not up to the mark. So there is a gap to enter into the market and offer quality services at low costs. Health education has worked in Bangladesh so far particularly in terms of making people aware of family planning and immunization issues. Similarly, the benefits of the health care schemes can also be promoted through using the same guidelines"

2. Forms of Hazards and Diseases in Occupation:

An industrial worker or any employee either blue collar or white collar may be exposed to some common health problems depending upon his or her occupation. These may be categorized as (a) environmental sanitation which includes housing, water pollution, air pollution and sewage disposal; (b) communicative diseases such as tuberculosis, sexuality transmitted disease (STD), food and water borne disease, helminthic disease, vector borne diseases etc. (Rao and Lundgren 1955); (c) mental health that include failure of adjustment to altered living and working condition resulting in mental illness, behavioral disorder, psychoneurosis, delinquency etc.; (d) accidents that occurs within the industrial units or outside industry; (e) social problems like alcoholism, drug abuse, gambling, breaking up homes, increased crime!; etc. and (f) morbidity and mortality from incidence of chronic bronchitis and lung cancer are quite common (Hunter 1980; Park. K. 1997; Schilling 1981).

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3. Objectives of the study:

The specific objectives regarding the study on the "feasibility of a health care scheme for business enterprises" are as follows:

- a) To identify the present status of the health care system and to find out the potentiality of applying health care scheme in improving productivity to the service and manufacturing organizations of Bangladesh. .
- b) To evaluate the expectations regarding health care scheme from the viewpoint of both employees and employers.
- c) To justify the feasibility of adopting health card scheme in the service and manufacturing organizations.
 - d) To evaluate the prospects and to suggest the ways in which the scheme could be implemented to the respective sectors in relation to how to attract potential organisations.

4. Scope and Methodology of study:

This study is limited only in some selected organisations that include both service and manufacturing sector urban areas of Dhaka, Chittagong and Gazipur. For collection of primary data, first, both area and industry wise organisations were selected through stratified sampling. From that list, the respondents were selected through random sampling that includes both employer and employees of the organisations. In this process 100 (employees and employers) samples were selected for the purpose of the study. These samples include 70 employees and 30 employers of these organisations. Employees selected from the organizations like spinning mill, leather factory, biscuit factory, cable manufacturing industry, textile industry, steel factory etc. whereas employers include CEOs, owners and managers. The samples so selected are representative to the population.

Primary data was collected through interview method by a structured questionnaire focusing the objective of the study. Also some observations were made at the time of interview. In addition, some secondary sources like journals, books, magazines and newspapers were also reviewed in this regard.

Interviewing the respondents posed as problematic at time when respondents were reluctant to give an interview. But with persistence and after assuring them that their comments would only be used for study purposes, they eventually gave their comments without much hesitation. It may be mentioned that most of the employers were the ones who were

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mostly reluctant. The majorities were somewhat skeptical; especially when asked about the health care that they were providing their employees and whether proper care to their employees was entitled to. Furthermore, some employers were also reluctant to mention whether they would be willing to provide employees with a more comprehensive health care scheme in the future.

5. Findings of the study:

This section comprises of the findings from the survey that was conducted among the employers and employees of different business enterprises focusing the objectives of the study. The employers within different organizations were interviewed alongwith the employees to get an insight into what both these categories of respondents perceive as the rights and circumstances in terms of healthcare within the working environment as a whole.

Alongside this, the survey found the existing health profile of employees working in these companies as well as the prospects of a healthcare scheme if companies were to offer them to their employees. Likewise, the CEOs, owners and managers of these companies have shown a positive relationship between the health and productivity of their employees as a whole. These and other aspects were queried upon in the survey and the findings are mentioned accordingly.

The findings of this study are categorized into two parts: (a) Employee's part and (b) Employer's part.

5.1. Employee's Part:

5.1. a) Present Status of Employees Regarding Health Care:

The findings of the survey in relation to the responses obtained from the employees of different companies and business enterprises are depicted below:

I) Duration of service: It was found from the survey that the average number of years that employees have been working in their respective companies was around nine years. Among them about 29% of the respondents interviewed have been working in their respective organizations for at least three years. Likewise, another 21 % of them have been working for about 4 to 6 years; 13% have been working for

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7 to 9 years; followed by 11010 for 16 to 19 years while 10°10 have been working for 10 to 15 years; 9% for more than 22 years and remaining 8% have been working for 19 to 22 years (Appendix, Table-1).

- II) Average monthly income: The average monthly income of the survey employees was found to be around Taka four thousand. The average monthly income of the employees is listed at a glance in Appendix (table- 2). The study discloses that majority of the employees (56%) earn around Tk. 3,000 and 13% to 16% earn in between Tk. 3,000 to 10,000 and only 2% earn more than Tk. 20,000 per month. It is clear in this study that the employees are not able to meet all the expenses of health care from their earnings.
- III) Health care service provided by companies: Companies having large number of employees are usually the ones that provide health care facilities to their employees. Some organizations provide a specific amount of money to their employees every month as medical benefit. A few others have doctors assigned for employees while others pay according to the medical bills of employees. Likewise, other organizations provide employees with medical benefit through specified health institutions instead.
- IV) Health care taken during the last three months: It was revealed that 30% of the employees had sought some type of healthcare for themselves in the last three months. The remaining 70% had apparently not fallen sick.
- V) Diseases usually suffered from the most: The employees of the different organizations interviewed were asked to mention the types of diseases or illness they usually suffer from the most. The findings are summarized in Appendix (table-3) according to the magnitude, of sufferings. Majority of the employees suffered from fevers and common cold (70% and 62% respectively) and another disease are headaches, coughs, gastric, dysentery, blood pressure and diarrhoeal diseases.
- VI) Frequency of visiting medical Doctors: About 10% of the respondents go to medical doctors every month, 10% visit every fortnight, 12% of them visit doctors every three-month while 20% of

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them visit every six months. It was also found that 48% of the respondents visit the doctors without any fixed routine but seek advice and treatment from doctors whenever the need arises.

VII) Amount spent for treatment: In terms of the amount of money spent for treatment, respondents were asked to mention how much they spend annually for their treatment purpose. The finding reveals that 31 % of the employees expense upto Tk. 300, 24% expense Tk. 300 to 500 and 23% expense Tk. 500 to 1,000 for health care and only 22% expense more than Tk. 1,000 for treatment (table-4). From the study, it is clear that majority of their expense for health care is upto Tk. 1,000.

VIII) Place of healthcare sought by employees and its quality: Majority of the respondents buy medicines from their local pharmacy or medicine dispensary. Others go to MBBS doctors and health centers whenever they are really sick and cannot get cured themselves. 77% of the respondents stated the quality of treatment is quite high. However, 8% of the respondents stated that the quality is very high while the remaining respondents (15%) stated that the quality of treatment is moderate.

5.1. b) Attitude and Response about Health Care Scheme:

- I) Reactions if organizations provide healthcare services: The study asked the employees of different organizations regarding what their reaction would be if their employers provide them with health care schemes. It was found that the majority of employees reacted positively. About half of them (48%) were very happy another (52%) stated that it would be 'good' for them if their employers provide them with such healthcare schemes. Only 2% of the respondents were not very enthusiastic about it but had a moderate reaction. The reasons behind the mixed reactions are (a) less cost of the treatment, b) high quality treatment and c) availability of treatment in the workplace.
- II) Expected coverage of services from healthcare scheme: The employees in different organizations were asked what type of services they would expect from the health care scheme at the time of the study. From the study it is found that 88% expect general health

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checkup while 58% expect treatment if they fall into any accident at work place or out of workplace and 39%; 38%; 32%; 31% and 30% expect treatment in case of skin problems, family planning, ENT, pregnancy checkup, RTIs with drug treatment and gynecological problems respectively (Appendix, Table- 5). Moreover, they expect facilities for STD and RTIs, health certificate and gastric treatment that have magnitude from 29% to 14%.

III) Expected cost of services from healthcare scheme: The respondents were asked what would be the cost that they would be willing to bear per person per month for each healthcare scheme. The expected major price ranges as disclosed by respondents in a month is upto Tk. 25 for 72% respondents. The 20% want to expense Tk. 26 to Tk. 50 and only 8% want to expense Tk. 51 to Tk. 300 (Appendix table- 6).

5. 2. Employer's Part:

5. 2. a) Present Status of the Employers Regarding Health Care: The survey findings in relation to the responses obtained from the employers of different companies and business enterprises are depicted below:

I) Number of employees in the organization: It was found that, about 40% of the organizations interviewed have 200 to 500 employees in their organization while another 33% of them have 500 to 1000 followed by 15% which have up to 200 employees and 12% which have around 100 employees or so.

II) Employees' health related information: Regarding health profile of employees from the employer's point of view regarding the indicators like opinion on the health condition of employees, interval of health check, relationship between fitness and efficiency and health in relation to productivity. About 76% of the employers stated that their employees have relatively good health. Moreover, 57% of the employer stated that their employees have not fallen sick with any major diseases yet. Another 6% mentioned that their employees are continuously suffering from general diseases while 6% also stated that their employees have heart diseases. 3% have diabetes (Appendix C table- 7). About 41% of the organizations provide their employees health check facility every month. 16% of them provide health check

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facility every three months. More than half of them think that efficiency fully depends on the health and physical condition of employees while another 40% think that efficiency does not totally depend on health but only to some extent. Employers were further asked whether they think that the productivity of the employees will be affected due to their ill health. About 79% of the respondents positively while the remaining 21% stated the reverse instead (Appendix, table-8). The employers who responded positively (i.e. 79%) were then asked the reasons behind their responses. Some of the major reasons are in the table- 9 in Appendix. The main affects in productivity are production declines due to absenteeism (60%) and quality of output deterioration (20%). Another affects are problem of new recruitment (10%); higher workload (5%) and results in financial loss for the company.

III) Organizations providing health care services: The survey found how many of the organizations interviewed provide health services for their employees. Apparently, according to about 94% of the employers, they provide some kind of medical allowance to their employees as part of their salaries. The remaining numbers of the employers (6%) do not pay anything to their employees.

IV) Types of health care services provided: The organizations that are providing health care services in the form of medical allowances with employee's salaries (94%) were asked what types of services they provide. Table-10 in Appendix shows the present scenario of health care of employees prevalent within the organizations. The types of the services provided according to their magnitude are a specific monthly amount of money along with the salary (43%); doctors assigned for employees (22%); pay the medical bill of employees as per actual but within a ceiling amount (20%); company's own health care wing/center (6%); fixed yearly medical allowances (5%) and pay the medical bill of the employees as per actual (4%) by the organizations.

5. 2. b) Attitude and Response about Health Care Scheme:

The survey asked respondents whether health care schemes are feasible or not and whether potential companies can sustain a certain price range (cost) while giving this service to their employees. The following indicators were queried in the survey:

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- I) Opinion on the suitability of health care schemes: The study reveals that 60% of the employers think that this health care scheme would be suitable while another 40% of them think that this health care scheme would not be suitable.
- II) Reasons behind suitability or unsuitability: It was found that about 28% of the employers who think that the health care scheme will be suitable for their employees as their workers will receive medical services easily and 25% of them think that the scheme offers general health care while another 18% think that their employees will get sound health. Furthermore 16% also think that the health care scheme will be suitable because it will increase the productivity of employees while 13% think the cost of the health care scheme will be relatively low. Meanwhile, the respondents who stated unsuitability of the health scheme were asked about the reasons they thought so. The reasons were; they are already providing medical benefit for their employees, they have their own company doctor and providing treatment facilities etc.
- III) Probable impact of health scheme for employees: According to the majority (78%) of employers interviewed, the productivity of the employees would increase if a health care scheme were provided. Furthermore, around 28% of the employers stated that the company would be benefited financially while another 20% stated that the loyalty of the employees towards the company would increase.
- IV) Probable impact of health care scheme on employers/ company: The survey also disclosed probable impact on the company if a health care scheme were to be introduced. These are:
- . Sound health condition of the employees
 - . Access to proper treatment
 - . Sound physical and mental health
 - . Motivate to work better
- V) Expected coverage of services from health care scheme: The employers in different organizations were asked what type of services they would expect from the health care scheme. The services that the respondents expect from the scheme in order of magnitude are (appendix table- 11) general healthcare (65%); treatment for wounded and accidents at workplace (45%); ENT treatment (33%); health

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certificate (28%); skin problem (25%); family planning (23%); treatment of RTIs with drug (20%); treatment for STD and RTIs (18%); pregnancy checkup (13%); gastric treatment (12%) and gynecological problems (10%).

VI) Expected cost of services for health care scheme: When respondents were asked to comment on the level of cost they would be willing to bear for each health care scheme per person per month, about 30% of them stated that they would be willing to pay up till Tk. 10 per person month. Likewise, around 22% stated that they would pay between Tk. 50 to Tk. 100 while another 16% stated they would pay between Tk.11 to Tk.20 for the scheme. However, the average price that they would be willing to pay was found to be around TK.37. It may be mentioned that 32% of the employers did not disclose the price that they would pay for the health care schemes.

VII) Awareness about organizations that provide health care schemes: Respondents were asked to state if they knew about any organizations that provided health care schemes. It was found that the majority of them (98%) was unaware and could not name any organizations. However, the remaining 2% were unsure and neither responses positively or negatively.

6. Analysis of Findings and Actions Suggested:

According to both employees and employers of the study, most employees of different organizations are getting some kind of medical allowance, although very nominal, from their employers. This medical allowance is usually a part of the basic salary of employees and cannot be a proper medical allowance. Even though this is a very nominal amount, ironically both categories of respondents consider this amount as a sort of medical allowance. 1\ S a whole, most employees realize that the medical allowance they are currently getting from their employers is irrational and does not even cover their own medical expenses let alone their immediate family members.

However it may be mentioned that most employees realize that they would not get better health facilities from their employers because there is a certain expense level which their employers would be willing to pay to them as health benefits and not more than that. Thus even if the allowance that their

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- If the schemes ensure that the employees would not lose any working time when visiting for treatment then they would think about introducing the schemes.
- The cost of schemes should be in between Tk. 50 to Tk. 100 per person per month.
- There is a huge demand and gap for quality service in the country and it can fulfill this gap. Thus it can do so by creating a demand for quality treatment at accessible rate by ensuring a competitive advantage over its competitors.
- Businessmen can initially target and penetrate the structured and semi structured market where there is an existing human resource management department and scope of providing health care to employees.

7. Conclusion:

There is an increasing demand for the management of the enterprises to provide health care schemes for their employees and there is potential for health care providers to enter the market as more and more businesses are recognizing the demand and good impact of providing employees with health care facilities. It may be said that if organizations wish to give their employees a better health care facility then they can opt for health care schemes and thus enhance the productivity of their employees. As a result, employees would be very pleased if they have access to such schemes. Most organizations interviewed may not realize this as yet, but they are liable to change their attitude in the near future when they all realize how the productivity of employees is directly related to the increase in revenue of business as a whole. The bottom line is that this would ensure financial profitability for that organization since it would reduce absenteeism among employees and also motivate them to work better for the company. Thus such schemes would be a win- win situation for all parties involved as employees would be happy and employers would ensure profitability as well as do a social services by providing health care to their employees. Although few organizations are providing their employees with some kind of health care facility, there is a need for special types of health care schemes that are more comprehensive and provide employees with a better scope of health care.

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APPENDIX:

Table: 1

Distribution of sample according to the duration of service:

Duration (Year)	Percentage	Duration (Year)	Percentage
0 – 3	29	16 – 19	11
4 – 6	21	20 – 22	7
7 – 9	13	More than 22	9
10 - 15	10	Total	100

Source: Field study.

Table: 2

Average monthly income of the sample employees:

Monthly Income (Taka)	Percentage
Around 3,000	56%
Between 3,000 and 5000	16%
Between 5,000 and 7,000	13%
Between 7,000 and 10,000	13%
Over 20,000	2%
Total	100%

Source: Field study.

Table: 3

Types of diseases suffered by the sample employees:

<u>Types of diseases or illness</u>	Percentage
Fever	70%
Colds	62%
Headaches	42%
Coughs	35%
Gastric	30%
Dysentery	11%
Blood pressure	8%
Diarrhea	7%

Source: Field study.

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Table: 4

Present expenditure for health care:

Expenditure Amount (Tk.)	Percentage
Upto 300	31%
300- 500	24%
500-1000	23%
1000-2000	14%
2000 and above	8%

Source: Field study.

Table: 5

Major Services that the employees expect from the scheme:

Services Expected	Respondent (%)	Rank
General health checkup	92	1
Health certificates	18	10
Skin problems	39	3
STD and RTIs	29	9
RTIs with drugs	30	7.5
Pregnancy checkup	30	7.5
Gynecological problems	31	6
Family planning	38	4
Treatment for those wounded in accidents	58	2
ENT	32	5
Gastric treatment	14	11

Source: Field study.

Table: 6

Expected willing to pay each month for health care:

Payment Range (Tk.)	Percentage
Upto TK.10	36
Between Tk. 11 to Tk.25	36
Between Tk. 26 to Tk.50	20
Between Tk. 51 to Tk.100	5
Between Tk. 101 to Tk. 300	3
Total	100

Source: Field study.

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Table: 7
Health condition of employees in the eye of their employers:

Health Condition	Percentage
Good health	76
Have not fallen any fatal disease	57
Continuously suffering from general diseases	6
Have heart diseases	6
Have diabetes	3

Source: Field study.

Note: Some respondents mentioned more than one disease.

Table: 8
Relationship of efficiency and physical condition and effect of health condition on productivity:

Efficiency and Physical condition	Percentage	Health and Productivity	Percentage
Has relationship	60	Positive effect	79
No relationship	40	No effect	21
Total	100	Total	100

Source: Field study.

Table: 9
Reasons behind positive response:

Reasons	Percentage
Production declines due to absenteeism	60
Quality of output deteriorates	22
New recruitment is problematic	10
Higher workload on workers	5
Results in financial loss for the company	3

Source: Field study.

Table: 10
Present scenario of health care provided by employees prevalent within organizations:

Type of health services provided	Percentage
A specific monthly amount of money alongwith the salary	43
Doctors are assigned for employees	22
Companies have their own health care wing/center	6

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Provide fixed yearly medical allowances	5
Pay the medical bill of the employees as per actual	4
Pay the medical bill of employees as per actual but within a ceiling amount	20
Total	100

Source: Field study.

Table: 11
The services that the employers expect from the scheme:

Services Expected	Respondent (%)	Rank
General health checkup	65	1
Health certificates	28	4
Skin problems	25	5
STD and RTIs	18	8
RTIs with drugs	20	7
Pregnancy checkup	13	9
Gynecological problems	10	11
Family planning	23	6
Treatment for those wounded in accidents	45	2
ENT	33	3
Gastric treatment	12	10

Source: Field study.

