ANNEXURE - X

PRODUCTIVITY LINKED REWARD SCHEME FOR EMPLOYEES STATE INSURANCE CORPORATION
Organisation

X.1 The Employee State Insurance Corporation (ESIC) is the premier social security organisation in India and largest of its kind in S.E. Asia. Started in 1948 under the Employees State Insurance Act, the scheme provides protection against loss of wages due to inability to work on account of sickness, maternity, disablement and for payment of benefits in the form of pension to dependents of Insured Persons (I.P.S.) who die as a result of employment injury. The scheme also provides medical care to I.P.s and their family members. The scheme is applicable to all the state in India.

Act

X.2 The act first implemented in 1952, covered non seasonal factories employing 20 or more workders and using power. Only those prsons who were drawing wages upto the maximum of Rs.400/- per month were covered. The coverage al well as the limit have been periodically amended to cover various other sectors of employment as well as persons drawing upto Rs.1600/- per month, which is likely to revised upward to Rs.3000/- per month.

Structure

X.3 The corporation with its Head Quarter at New Delhi has a Director General as Chief Executive, assisted by four principal officer viz. Insurance Commissioner, Medical Commissioner, Financial Advisor & Accounts Officers and
Actuary. The plans and policies drawn up by the Head Quarters are translated into action through the network of Regional/Local offices for effective administration of the scheme. The scheme at present cater to the needs of 69 lakh Insured Persons, with a revenue income to the tune Rs.450 crores, and manpower of about 12600 employees.

Objectives

X.4 The major objectives of ESIC are to provide social security to the poorer sections of the Industrial Workers through:

  i) Extending coverage to them and organising medical benefits through State Govt.'s or on its own.

  ii) Providing cash benefits to IP’s to offset loss of earning.

  iii) Revenue recovery in terms of contributions & damages.

  iv) Ensuring compliance of Regulations & Act.

  v) Effective operation of the scheme at minimum cost.

Scheme Representation.

X.5 To achieve these objectives, the organisation has number of department/functional areas which coordinate thw work among themselves to ensure timely and quality service to the Ip’s.
Annexure X.

Quality Dimension

X.6 While extending these services, the aspect of customer satisfaction about the quality of services rendered remains a prime area of attention of the top management of ESIC and Govt.

X.6 The issue of customer satisfaction has two important aspects namely medical benefits and cash benefits. While medical benefits are extended predominantly through State Government, the cash benefits are extended directly by the Corporation. The major cause of dissatisfaction of IP’s seems to be directed towards the medical benefits but in view of the organisational constraints only the aspects related to cash payments can be incorporated in this scheme.

Time Norms

X.8 In cash payments which are steadily coming down, the effectiveness of the service rendered in terms of timeliness need to be incorporated in the area of claims admitted. Also time norms has been prescribed for the imported functions of Revenue Recovery in the manual itself. An integrated view of these norms to reflect the effectiveness of operations has to be measured.

PRODUCTIVITY MEASUREMENT MODEL - I

X.9 During the year 1980-81, a need was felt to motivate employees to provide better services to the IP’s and create a healthier work-force for faster industrial development.
decision was then taken to introduce a 'Productivity Linked Reward Scheme' in the Corporation. But unlike in manufacturing enterprises, it is easier said than done in service enterprises like ESIC. The only input in Service Sector is manpower. The ratio of counter personnel who interact with customers or provide output service to the total employees doing in-process activities is very small as compared to productivity workers in manufacturing units. Yet in the absence of better known solution, the productivity was defined as output/input where input was taken as the number of employees in certain identified categories including the manpower equivalent to overtime hours.

Now the main question was to define the output of origination.

X.10 A composite study team consisting of consultants and internal executives was designated to suggest the productivity measurement model and also to link it with motivation scheme. The functions as identified by us showing the performance of ESIC may be visualised in Table X.1.

X.11 After critical examination of each of these functions the output counts reflecting their workload and performance achievements were identified. The output count and the functional areas are included in Table X.2.

X.12 Productivity was then aggregated by assigning appropriate weightages to each factor. The Productivity Index was derived comparing current year values with base
year values. The base value was taken as the achievable workload for each factor.

Total Productivity Index = E1M1+E2M2+E3M3+.............E6M6

____________________________
M1+M2+M3+.............M6

Where E1,E2,E3......E6 Represent factor efficiency Index

M1,M2,M3......M6 Represent manpower allocated

Where E1,E2.......................E6 means

(workload) of current year/ (manpower)

(workload) of base year (1980/81)/(manpower)

Thus it can be seen that the very first exercise of productivity measurement in service sector look cognizance of only the physically perceivable outputs and input. It tried to work around the established trends in productivity measurement in manufacturing sector.

REVIEW 1.

X.13 This productivity measurement model was in operation for 5 years and a study team was commissioned in 1986-86 to review the impact with following terms of reference:

a) To carry out a detailed analysis of the operational results and side effects of implementation of earlier scheme.
b) To identify relevant "Productivity Factors" to monitor the effective performance of the corporation as per the stated objections.

SCENARIO - 1

X.14 This scheme was in operation for four years. The trends and results were duly analysed. It was seen that the physical measures outlined in the scheme were sensitive to environmental fluctuations and were not solely influenced by employee efforts. More importantly, it led to a situation that employee effort to improve his productivity proved to be detrimental to the organisation. For example, if more and more cash benefits claims are generated and passed the corporation will lose money and industrial workers also get motivated to abstain from work by lax-certification. Thus, it indicated the need of linking overall results achieved by the organisation to productivity in addition to effort factors.

CONSTRAINTS AND ANALYSIS

X.15 Any productivity linked reward scheme should motivate the employees towards the fulfillment of the major objectives of the organisation.

X.16 However, in the case of ESIC two major activities of providing medical benefit and increasing the number of IPs are beyond the control of ESIC employees as such. Therefore, the employees can contribute effectively only in revenue recovery and enforcement compliance and cash benefits. In these two objectives also, the workload of the cash benefit section depends on the number of claims made by the IPs. There are concerted efforts being made by ESIC...
Management to reduce the incidence claim by discharging lax certification and other misuses. Therefore, with improvement in management efficiency, the available work in terms of payments to be made is also expected to reduce.

X.17 In case of enforcement of compliance activities there is very little scope whereby improving the efforts put in, the results achieved can be improved. However, the prompt action in all the activites being performed under cash benefits, New registration, Revenue recovery and compliance will certainly lead to improved quality of service to the IP's improved contribution collection and reduced outstanding arrears.

X.18 The ESIC O & M division has prescribed certain norms of manpower based on the available workload. Therefore, any increased workload this year will be compensated by proportionate manpower next year, thus depriving the employees the opportunity of showing higher turnout per employee.

X.19 It is a paradoxial situation that about 55% of ESIC employees strength is working in payment branches, but its contribution to the fulfilment of ESIC objectives as mentioned in earlier paragraphs is not proportionate to this high percentage. Therefore, it proportionate to this high percentage. Therefore, it may be concluded that the weightages to be decided for PLBS factors, cannot be based on the proportionate manpower involved in given activity. It has been established beyond doubt that though the quantum of number of payments made during the year is an extremely improtant indicator of the output of a large number of (about 55%) employees, yet the quantum of this activity alone does not reflect the spirit of implementation of ESIC
Annexure X.

Act, because new coverage, inspection and surveys, compliance, extension of medical services constitute the main supporting activities, where a lot more is desired to be improved.

X.20 The criteria of weightages to be given to the various sub-factors should therefore be based on the contribution of the activity(s) towards achieving the corporate objectives, scope for further improvement in productivity of the organisation, its impact on the overall performance of other sections and departments of the organisation and the manpower etc.

PRODUCTIVITY MEASUREMENT MODEL - II

X.21 It was proposed that the performance of ESIC should be measured in relation to the overall results achieved by the Corporation against the corporate objectives and the efforts put in by the employees to achieve the results. The factors chosen for monitoring should have the following characteristics:

i) Contribute directly in the objectives
ii) Reflect the impact of management decision making.
iii) Reflect efforts made by the employees.
iv) Should be measurable and quantifiable.
v) The past performance data should preferably be available with the Corporation.

X.22 It has been observed that the main hurdle in the design of the PLB Scheme in service organisations (non-production) like ESIC and other market oriented organisations is that of isolating the environmental impact on the individual productivity factor behavior. Many a times the chosen factor tends to show improvement over the base year because of the complex impact of environmental favour, management.
decision and employees efforts, for e.g., in case of ESIC the textile strike at Bombay, led downfall in the total contributions of ESIC and enhancing the entitlement unit to 1600/- under Amendment, 85 is expected to lead to increase in total contributions and also total number of IPs. This of course will have the indirect impact on thw workload of employees by way of reduced number of cash benefit payments in the first case and higher number of cash benefit payment in the second case. In case the management continues is effort to curb the lax certification, the total number of payments can still fall down has making it impossible to understand which of the factor is contributing more to the results.

X.23 The productivity performance of ESIC will be measured under two sub-heads:

1) Results achieved by the Corporation (R).
2) Efforts put in by the employees (E).

A. THE MEASUREMENT PARAMETER UNDER SUB-HEAT "RESULTS ACHIVED BY THE CORPORATION" WILL BE:

i) Total no. of IPs covered/beneficiaries.
ii) Total revenue income from contributions.
iii) Total expenditure on total cash benefits to IPs.
iv) Reduction (Improved collection) in arrears.

B. EFFORT OUTPUT.

The net work of output count under various service functions of ESIC was also extended. In the scheme only terminal output was considered e.g. total number of cash payments. Now it was proposed to count important sub-key terminal output also e.g. no. of fresh claim admitted under various categories. For the identified functions and output counts see please Table X.3
TOTAL PRODUCTIVITY INDEX (TPI)

X.24 The productivity is aggregated by assigning weightageeas to efforts (70%) and results (30)% sub-factors and by comparing the current year values with base values.

$$\text{TPI} = W_1R_1 + W_2R_2 + W_3R_3 + W_4E_1 + W_5E_2 + W_6E_3 + W_7E_4 + W_{BE_5}$$
$$+ W_9E_6 + W_{10E_7} + W_{11E_8}$$

Where $E_1, E_2, \ldots, E_8$ means

$E_1 = \frac{\text{workload}}{\text{manpower}}$ of current year

$E_8 = \frac{\text{workload}}{\text{manpower}}$ of base value

and $R_1, R_2, R_3$ means

$R_1 = P_1$ for current year

$P_1$ value as base

$W_1, W_2, \ldots$ will means weightage assigned to factors.

$P_1 = \text{Performance}$

Thus it is clear that a new set of result oriented parameters laid more emphasis on sound organisational performance in addition to employee oriented productivity factors.

REVIEW II

X.25 The impact of scheme was proposed to be examined after five year operation of the present productivity model. After carefully analyzing the data for past five years (86-90) the following observations were made.

1. There is defined trend of increase in all ratios. No factor is showing any erratic ups or down.
Annexure X.

a) R1: Consistently the number derived per insured person is going up.

b) R2: Consistently the number of payments made per person is coming down.

c) R3: Administrative cost incurred by ESIC employees per I.P. is going up due to pay/DA rise or any other reason.

d) R4: Average work load per ESIC employee is coming down. This is consistent with R2.

2. Since the variation of R2 and E1 are too drastic, the sensitivity of the scheme is lost and effective weightages of these factors have become 25 and 6 as compared to proposed 12 and 18.

3. E8: Compliance work has assigned a weightage of 25 points. Due to drastic action taken by ESIC management to ensure compliance, the work load of compliance per ESIC employee has gone up. This is consistently high right from 1986-87 onwards. It seems either the weightage given was lower or base values were lower or the data is manipulated.

4. The weightage given for R1, R2, R3, E1, E8 were surpassed in actual contribution made by the factors as could be seen in Table X.4. The scheme needs to be thoroughly reviewed so as to analyse the validity of these factors and their weightages or to plug any possible manipulation of data.

TERMS OF REFERENCE

X.26 A study team was assigned to conduct of productivity measurement with the following terms of reference.
A) To make a review of results of the implementation of the preview scheme and assess its impact of productivity measurement and/or customer service provided by ESIC.

B) To evolve productivity indices and suggest proper reward scheme.

SCENARIO - II

X.27 The analysis of results and interaction with customers makes it evident that while organisational performance, and employee productivity may have shown an upward trend, these parameters do not adequately reflect the image, customer satisfaction and quality or service in terms of timeliness of services or reduction in pendecny of the cases.

X.28 Thus, it becomes clear that productivity measured only in terms of physical output or results does not suffice in service sector. The definition of productivity need to consider the customer oriented subsystems also. In case of ESIC it therefor seems necessary to measure the effectiveness of the total process of contribution and benefit cycles. The productivity thus should highlight effective of total system.

PRODUCTIVITY MEASUREMENT MODEL - III

X.29 Broad Framework

After detailed discussions and analysis of data it is proposed that the productivity measurement model contain the following set of factors. They are classified into three groups reflective of the efforts put in by the employees, the results achieved in terms of stated objectives and efficiency of the objective fulfillment needs to the organisation.
These groups are termed as follows:

i) Effort Parameters

ii) Result Parameters

iii) Operation Cycle Efficiency Parameters.

Efforts parameters are selected in such a manner as to reflect the efforts put in by the employees of the ESIC on vital output oriented activities.

Results parameters are for reflecting the results achieved by the corporation by implementation of its policies, proper decision and also by the efforts of the employees. It is to underscore the point that it is not only the efforts that are essential but commensurate results as well as achieve the objectives to the organisation.

Operation Cycle efficiency factors are chosen for reflecting the fact that it is not only efforts and results that are important but the timeliness of achieving results are as well as the extent to which these results are in tune with the organisation targets, standards and other requirements.

All the three groups of parameters are assigned with suitable weightages based on the analysis of relative importance of these factors in terms of organisational objective fulfillment, employees involvement and their contribution, effect of environmental fluctuation as well as their interdependence on other factors. Accordingly the following weightages are proposed to reflect the productivity performance of ESI Corporation. The following weightages have been assigned based on the above mentioned criteria and series discussions with management and other level employees of the corporation.
Annexure X.

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>FACTORS</th>
<th>WEIGHTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Effort Parameters</td>
<td>50</td>
</tr>
<tr>
<td>2.</td>
<td>Result parameters</td>
<td>30</td>
</tr>
<tr>
<td>3.</td>
<td>Cycle Efficiency Parameter</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

**Effort Parameters**

**X.35** The important change that is suggested in the introduction of time factor for the fresh claims admitted so as to introduce the concept of timely service to IPS. For this purpose differential weightages for equalizing the various sub-factors under the fresh claims admitted are proposed for work performed within time limits and work performed beyond time limits so that prompt action can be encouraged.

**X.36** On examination it was found that the question of time limits is more relevant and crucial for the fresh claims admitted under the head of TDB, PDB, DB, and communication in view of the complex procedures in their settlement.

**X.37** The output counts of all the other efforts were more or less same except minor operational adjustments to bring in clearer focus of activities. Their descriptions is not very pertinent for this paper.

Result Factors.
All the result factors of previous scheme are retained with following weightages:
<table>
<thead>
<tr>
<th>SR. NO.</th>
<th>PARAMETERS</th>
<th>WEIGHTAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Benefit Ratio R1</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>Admn. Ratio R2</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>Arrayer Ratio R3</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>= 30</td>
</tr>
</tbody>
</table>

Operational Cycle Efficiency Parameters.

**X.38 Default Cycle Efficiency (C1)**

Default cycle efficiency is proposed to be incorporated to measure the efficiency of the recovery proceedings with respect to both revenue contributions as well as penal damages. The entire recovery proceeding due to its recurring characteristic has been viewed as a cycle starting with the defaulters list prepared on the basis of return of contribution (R.C.'s) submitted by the employers at the end of the half yearly contribution period, till the issue of recovery certificates to collector. Thus for the contribution period ending March, the defaulter list due by June and the entire recovery proceedings of C18, s/o, C19, (D18, s/o D19) has to be completed by the time the next defaulter list for contribution period ending September is expected.

A. Total case of defaulters
B. Less
   1. No. of employers where C19 is not due for
      a) Amount less than Rs.500/-
      b) Strike/closure/uncoverage etc.
   2. Cases where compliance effected before issue of C19
C. Net actionable cases of default. This has been compared with the number of cases where the entire proceedings have been completed culminating in issue of Revocery Certificates as indicate by
D. Number of Recovery Certificates issued during the period under consideration.

The default cycle efficiency (C1) is defined and arrived at as

\[
C1 = \frac{\text{No. of revenue recovery certificates issued}}{\text{No. of net actionable cases}}
\]

Identical ratios are to be calculated for both revenue contributions and damages which have been denoted as

\[C1A : \text{Default cycle efficiency (Revenue contributions)}\]
\[C1B : \text{Default cycle efficiency (Damages)}\]

Benefit Cycle efficiency (C2)

X.39 For each half yearly benefit period, based on the return of contribution submitted by employers the corporation has to finalise the debarred/re-entitled list of IP’s. The list is to reach the dispensary, 15 days before the commencement of the corresponding benefit period, so that IP’s can be spread of proving their eligibility by alternate procedures as well as reducing workload connected with these certification procedures. Thus the cycle can be visualized as starting with the receipt of RC, their processing, updating of internal record and ending with preparation of exit list to be sent to the dispensaries.

The benefit cycle efficiency is proposed to be computed in the following way.

\[
C2 = \frac{\text{Number of IP's}}{\text{Average of RC's processed in terms of IP's covered in them in both the half yearly contribution period, up to corresponding due dates.}}
\]
X.40 This ratio is reflective of two aspects viz.
   a) The compliance position, indicative of smooth operation of ESIC scheme, if the ratio goes up, the extent of cooperation/support between the organisation and the employers is reflected.
   b) Internal processing efficiency of the organisation in terms of whether the list is prepared within time frame and also the extent of RC’s processed within the stipulated time.

X.41 Thus the entire operation efficiency parameters are as follows:

<table>
<thead>
<tr>
<th>SR.NO.</th>
<th>PARAMETERS</th>
<th>WEIGHTAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Default cycle efficiency (Revenue Contribution)</td>
<td>10</td>
</tr>
<tr>
<td>2.</td>
<td>Default cycle efficiency (Damages)</td>
<td>4</td>
</tr>
<tr>
<td>3.</td>
<td>Benefit cycle efficiency</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>20</td>
</tr>
</tbody>
</table>

**Base Value**

X.42 The productivity measures developed earlier are to be compared with a desired level of performance standard to determine the extent of growth or fall in relation to it. For the effort parameters E1 to E9, the base level performance has been retained, with minor modifications to account for the changes in factors E1 and E8. For the result parameters due to the modifications, the base values are proposed as the average of performance levels corresponding
to the preceding three years i.e. 88-89, 89-90, & 90-91. The operation cycle efficiency parameters have been assigned base values on the basic of performance trends for the year 1990-91 as the performance reports seem to have stabilised in style and content only from this year onwards.

Proposed Scheme

X.43 The proposed scheme showing the indicators, and weightages are given in Table : X.5

X.44 The formula for calculating the total productivity index (TPI) is a summation Productivity (Effort), Productivity (Results), Productivity (Cycle efficiency), Productivity (Effort) is given by:

\[
\text{Productivity Efforts} = \frac{E_{1A}XW_{1A} + E_{1B}XW_{1B} + E_{2}XW_{2} + E_{3}XW_{3}}{E_{1A} + E_{1B} + E_{2} + E_{3}}
\]

Productivity (Result) is given by:

\[
\text{Productivity (Result)} = \frac{R_{1b}XW_{1} + R_{2b}XW_{2} + R_{3b}XW_{3}}{R_{1} + R_{2} + R_{3}}
\]

Productivity (Cycle efficiency) is given by:

\[
\text{Productivity (Cycle efficiency)} = \frac{C_{1A}XW_{1A} + C_{2B}XW_{1B} + C_{2}XW_{2}}{C_{1A} + C_{2B} + C_{2}}
\]
Annexure X.

Where $E_l$, $R_l$, $C_l$ : The factor values for the year under consideration.

$E_{lb}$, $R_{lb}$, $C_{lb}$ : The base values of these factors.

$W_1, W_2$ etc. : Respective factor weightages as given in table VIII.

Total productivity index (TPI) = Productivity (Efforts) + Productivity (Results) + Productivity (Cycle efficiency)

PRODUCTIVITY LINKED REWARD SCHEME

X.45 Performance-payment relation

It is proposed that the PLRS be operated at two levels viz National level for Head Quarter, and Regional level for concerned regions.

1. If the National TPI is 100 a Productivity Linked Reward equivalent to 40 days wages shall be paid to the eligible employees in the head quarters of ESIC.

2. In case the National TPI increases by 1% above 100 then an amount equal to 0.5 day wages will be added to 40 days wages.

3. If the National TPI increases above 120 then for every additional 1% rise 1 day wages will be added to 50 days wages.

4. In case the National TPI falls by 1% below 100, wages equivalent to one day will be reduced from 40 days.
5. In case TPI for a concerned region reaches a level of 100 an amount equivalent to 40 days wages will be paid.

6. In case the Regional TPI of a concerned region increases by 1% above 100, then an amount of 0.5 day wages per 1% increase will be added to 40 days wages.

7. If the Regional TPI increases above 120 then for every additional 1% rise one day wages will be added to 50 days.

8. The maximum reward entitlement for any region will be restricted to 20% over and above that of reward entitlement of National level.

9. In case the regional TPI of a concerned region falls by 1% below 100, then a reduction of one day wages per 1% reduction will be made from 40 days. However, this is subject to the condition that the reward payable to any region will not be reduced power than that to the National level.

10. The TPI will be rounded off to the nearest 0.5 e.g. 90.24 will be taken as 90 and 90.25 will be taken as 90.5. Similarly 90-74 will be taken as 90.5 and 90.75 will be taken as 91.00.

11. The upper limit of reward payment will be restricted to sixty days.

ELIGIBILITY:
X.46 All the employees of ESI Corporation upto the Director General (excluding sanctioning authority) shall be eligible for payment of the Productivity Linked Reward Scheme in lieu
of the Bonus as per the following conditions:

1. For the employees deemed to be covered under the payment of Bonus Act, the coverage and payment limits etc. shall be regulated as per Government of India instructions for Government departments.

2. For employees drawing more than Rs.2500/- per month (as detailed in Government of India instructions) no payment will be made if the TPI is 100% or less. (since the factor workload considered in scheme has many elements of officers direct work content also and accordingly in para 5.10-5.12 it is proposed to include officers also for the payment of Reward. But as it is expected of the officers to maintain a Productivity level of at least 100%, no payment is proposed to this category if productivity level is less than or puto 100%).

3. For the category covered in the preceding para, in case the TPI improves above 100 then payment shall be made as per the payment plan detailed in para X.45 taking the payment for a TPI of 100% as NIL in place of 40 days as applicable to other employees.

CONCLUSIONS

X.47 A constant endeavour to develop a comprehensive model to measure productivity in ESIC has created a clear understand in of concept of productivity in employees of different levels. No wonder the quantity of service to customers have improved. No doubt some key elements of a feasible and viable productivity improvement programme are the improvement of employees productivity and selective mechanisation. The quality of customer service is one of the very vital parameter of productivity. The description of productivity vector components also prevent mistaking means as ends.
X.48 While quality of customer service is definitely a component of productivity, it has become evident that employee productivity and mechanisation are not ends in themselves. Rather, they are means. It may be said that ultimately the measurement of productivity has to be linked with available resources and their desired utilisation.

X.49 Productivity in service sector should not be measured on simplistic quantitative factors for output and input. In the present day context some more adjuncts are to be called for in addition. In this context, it is found necessary that two other very important criteria should also be included in the definition of productivity, as they have a very crucial bearing on maintenance and furtherance of service sector itself and its productivity. These are (a) customer satisfaction and (b) quickness of transactions.

X.50 At first sight, it would appear to be farfetched to even think of these two features as parts of productivity programme. But the experiment of ESIC has evolved the need to see productivity in terms of customer service.
### TABLE X.1: FUNCTIONS AFFECTING THE PERFORMANCE OF ESIC.

<table>
<thead>
<tr>
<th>SR.NO.</th>
<th>FUNCTIONAL AREA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CASH BENEFITS</td>
</tr>
<tr>
<td>2.</td>
<td>MEDICAL BENEFIT</td>
</tr>
<tr>
<td>3.</td>
<td>NEW COVERAGE</td>
</tr>
<tr>
<td>4.</td>
<td>COLLECTION CONTRIBUTION</td>
</tr>
<tr>
<td>5.</td>
<td>INSPECTION OF UNITS</td>
</tr>
<tr>
<td>6.</td>
<td>ENFORCEMENT OF PROVISION OF SCHEME</td>
</tr>
<tr>
<td>SR.NO.</td>
<td>FUNCTIONAL AREA</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------</td>
</tr>
<tr>
<td>1.</td>
<td>CASH BENEFITS</td>
</tr>
<tr>
<td>2.</td>
<td>MEDICAL BENEFITS</td>
</tr>
<tr>
<td>3.</td>
<td>NEW COVERAGES</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>CONTRIBUTION COLLECTION</td>
</tr>
<tr>
<td>5.</td>
<td>INSPECTION</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>ENFORCEMENT</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### TABLE X.3: IDENTIFIED FUNCTIONS & OUTPUT COUNTS

<table>
<thead>
<tr>
<th>SR.NO.</th>
<th>FUNCTIONS</th>
<th>OUTPUT PERFORMANCE MEASUREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>COUNT</td>
</tr>
<tr>
<td>1.</td>
<td>CASH BENEFITS</td>
<td>1. E1 - Total number of cash payment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of fresh claims admitted.</td>
</tr>
<tr>
<td>2.</td>
<td>VERIFICATION</td>
<td>2. E2 - Number of incapacity reference initiated.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of abstentions verification done.</td>
</tr>
<tr>
<td>3.</td>
<td>REGISTRATION</td>
<td>3. E3 - Number of employees registered</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of DIC's issued.</td>
</tr>
<tr>
<td>SR.NO.</td>
<td>FUNCTIONS</td>
<td>OUTPUT PERFORMANCE MEASUREMENT</td>
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<tr>
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<tr>
<td></td>
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<td>COUNT</td>
</tr>
<tr>
<td>1.</td>
<td>CONTRIBUTION</td>
<td>E4 - Returns of contribution processed in terms of IP's.</td>
</tr>
<tr>
<td>2.</td>
<td>REVENUE</td>
<td>E5 - Number of challans posted.</td>
</tr>
<tr>
<td>3.</td>
<td>RECOVERY</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>NEW COVERAGE</td>
<td>E6 - Number of new employees registered.</td>
</tr>
<tr>
<td>5.</td>
<td>INSPECTION</td>
<td>E7 - Number of inspection and survey carried out.</td>
</tr>
<tr>
<td>6.</td>
<td>COMPLIANCE</td>
<td>E8 - Number of inspection report scrutinies.</td>
</tr>
<tr>
<td></td>
<td>WORK</td>
<td>- Number of employees files reviewed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of legal noted issued.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Number of prosecutions launched.</td>
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26
<table>
<thead>
<tr>
<th>FACTOR</th>
<th>WEIGHTAGE</th>
<th>AV. CONTRIBUTION IN 5 YEAR.</th>
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<tr>
<td>R1</td>
<td>12</td>
<td>7.0</td>
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<tr>
<td>R2</td>
<td>12</td>
<td>19.2</td>
</tr>
<tr>
<td>R3</td>
<td>6</td>
<td>1.7</td>
</tr>
<tr>
<td>E1</td>
<td>18</td>
<td>8.6</td>
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<tr>
<td>E8</td>
<td>25</td>
<td>39.1</td>
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### TABLE : X.5 : PRODUCTIVITY FACTORS, WEIGHTAGES

<table>
<thead>
<tr>
<th>SR.NO.</th>
<th>FACTORS</th>
<th>FACTOR WEIGHTAGE</th>
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<tbody>
<tr>
<td>1.</td>
<td>Effort Parameters</td>
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<tr>
<td>1.</td>
<td>E1 A cash payment</td>
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<tr>
<td>2.</td>
<td>E1B EQ cases admitted</td>
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<tr>
<td>3.</td>
<td>E2 Enforcement</td>
<td>2</td>
</tr>
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<td>4.</td>
<td>E3 Regn. work</td>
<td>5</td>
</tr>
<tr>
<td>5.</td>
<td>E4 RC's processed</td>
<td>4</td>
</tr>
<tr>
<td>6.</td>
<td>E5 Challans posted</td>
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</tr>
<tr>
<td>7.</td>
<td>E6 New Employers CVD</td>
<td>3</td>
</tr>
<tr>
<td>8.</td>
<td>E7 Insp. &amp; Survey</td>
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<tr>
<td>9.</td>
<td>E8A Compliance Work</td>
<td>12</td>
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<td>10.</td>
<td>E8B Employee file reviewed</td>
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<td>11.</td>
<td>E9 RM 4 &amp; Opn. Ref.</td>
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</tr>
</tbody>
</table>

**PRODUCTIVITY (EFFORT)** 50

### B. RESULT PARAMETERS

| 1.     | R1 Benefit ratio                      | 12               |
| 2.     | R2 Admn. ratio                        | 6                |
| 3.     | R3 Arrears ratio                      | 12               |

**PRODUCTIVITY (RESULT)** 30

### C. OPERATION CYCLE EFFICIENCY

| 1.     | CIA Default cycle ratio (Contribution) | 10               |
| 2.     | CIB Default cycle ratio (Damages)      | 4                |
| 3.     | C2 Benefit cycle ratio (Cycle efficiency) | 6               |

**PRODUCTIVITY (Cycle efficiency)** 20

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**TOTAL PRODUCTIVITY INDEX** 100

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