Analysis of Satisfaction Degree of the Public Insurance System Beneficiaries

Manuela PANAITESCU*, Angela Eliza MICU**, Costin SORICI***

ABSTRACT

The public insurance system provides financial benefits to individuals that are obtained by collecting the due contributions. The analysis of satisfaction degree of the beneficiaries of the system was carried out to determine the challenges the system is facing and for determining the needs of the beneficiaries. In order to reduce the financial constraints the public insurance system is facing, it is necessary to create an appropriate insurance system that meets the needs of the beneficiaries. The research took into account that the public insurance system determines the quality of life of the population and has a strong influence on the economy, particularly on the labour market and the capital market.

ARTICLE INFO

Article history:
Accepted May 2013
Available online 30 August 2013
JEL Classification
H55
Keywords:
Social Security

© 2013 EAI. All rights reserved.

1. Introduction

Social security systems around the world are in constant adaptation and reform so that they become financially viable - taking into account several aspects that have generated the crisis of these systems - altered economic and social conditions in the world, the occurrence or development of financial problems on account of demographic trends and the political disadvantages caused by the generosity and / or high taxation. Assuming that social security systems in most cases provide a minimum level of protection, each nation has decided - at certain stages - encouraging private insurance, the individual savings by granting tax incentives in order to ensure a higher degree of social protection. The analysis of satisfaction degree of the beneficiaries of the social insurance system was carried out to determine the challenges the system is facing and for determining the needs of the beneficiaries (Panaitescu, 2012). The research took into account that the public insurance system influences the quality of life of the population and hence the economy, through the labour market and the capital market.

2. The hypotheses and the purpose of the analysis

The purpose of evaluation is to "measure the effects of a program in relation to the objectives defined initially proposed to be met", aiming the optimization of decision making process and further development of the program (Weiss, 1972). Thus, it is aimed to identify feasible activities based on the information regarding the value of the provided social services, used for improving the social problems. Shadish appreciates the evaluation as the set of strategies and methodologies of social research (Shadish, 1999). Depending on the effect and efficiency of social services are involved forecasting results and beneficial consequences. There are three aspects of evaluation that should be considered - the evaluation of service quality, financial performance and efficiency. Financial efficiency evaluation must consider first the revenues of the benefits and their size (Măţăuan, 1999). It was considered in this study the choice of the assessment techniques closest to the objectives of the evaluation, namely the monitoring techniques since the performance evaluation is based on the observation inputs, outputs and effects.

For institutions that provide social security services, the House of Pensions, the House of Health Insurance and the Agency for Employment, the inputs are represented by the resources involved - material, financial and human time staff employed. The services and activities carried out in accordance with the organization's mission constitute the output, focused on the benefits that meet the needs of the applicants. The impact of the benefits generates short-term and long-term effects on the subjects covered by the respective bodies. For assessing the benefits one can use several types of indicators (Pop, 2005):
- financial indicators to measure the service costs;
- benefits utilization indicators;
- impact indicators that show the benefits from using the service;
- reactions of the beneficiaries indicating the satisfaction degree following the use of a service.

* Dunarea de Jos University of Galati, Romania, ***, Ovidius University of Constanta, Romania. E-mail addresses: dana.marcean@yahoo.com (D.E. Holban), angelaelizamicu@yahoo.com (A.E. Micu).
The analysis concerns the following aspects:
- highlighting the positive and negative elements of the legal and institutional framework of the social security system;
- description of the economic implications of the social security quotas;
- identifying the medium and long term expectations regarding social security reform;
- knowledge of the requirements / needs and problems of policyholders.

The research was conducted in Galati and elsewhere in the South East of Romania, using a predominantly qualitative methodology. The volume of the analyzed group was 967 persons. Interviews were conducted with employers (the first sample), employees and the unemployed (the second sample), representing a means of data collection and research support. Socio-professional structure of the sample is as follows: 44.8% unqualified workers, qualified workers 14.8%, technicians / foremen 0.3%, servants 0.3%, other professions with medium studies 0.9%, professions with university degrees 0.2%, specialized in traditional trades 0.6%, without occupation 35%, merchants 0.3%. The structure on the age of the sample is as follows: 13.2% between 18-25 years old, 16.9% between 26-35 years old, between 36-45 years old 25.4%, 23% between 46-60 years old and 21.5% over 61 years old. The analysis of the performance criteria perception of the social security systems was achieved starting from its components and depending on the social actors involved, agencies that support the system financially - taxpayers and beneficiaries of the system.

The premises from which we started referred to:
- the subjective quality evaluation is performed by relating subjects’ impressions and expectations and reflects their satisfaction towards the benefits / the activities / the aims specific to those services;
- the quality of the services can be perceived in one or more dimensions: the quality itself (activity or reported results in expectations), availability, reliability and / or accuracy of the benefits;
- the quality assessment is influenced by various psychosocial characteristics of the subjects: socio-professional status, level of training, education, origin, sex, age, personality.

3. Assessment of satisfaction degree of the beneficiaries

For the present research there have been used assessment interviews (individual and group) and questionnaires to find information about the beneficiaries of the social insurance system and to test their attitude after the services offered by the institutions involved. The first sample represented by the employers was investigated by taking into account especially their position as contributors to the social security funds. The information was obtained through individual interviews. Thus, the target group subjects were structured according to:
- ownership (especially private ownership);
- branches of activity;
- size of the organization.

There were pursued, in particular, the following aspects:
- the impact of the legislation in the social insurance field,
- the economical implications of the insurance systems contribution shares;
- problems and difficulties faced;
- the affordability degree of the contributions;
- the impact on employment.

The relevant answers were grouped as follows:
- assessments on the legislation of the social security system;
- economical implications of the insurance systems contribution shares;
- assessment of the contribution rates in relation to the benefits, with the use of the social security funds and their impact on employment.

Relating to the assessment on the social security system law, as made by the respondents we can say that the answers, although different, lead to the formation of a conclusive picture:
- ignorant employers who do not know the law relating to the calculation and the amount of social security contributions;

| Table 1. Considerations about knowledge of legislation |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| NO              | A LITTLE        | APPROXIMATELY   | MOSTLY          | YES             |
| 18.5%           | 30.9%           | 29%             | 16.6%           | 5%              |

Source: own calculations obtained from the capitalization of applied questionnaires

- lack of responsibility regarding compliance with laws and fair and timely payment of contributions;
- the assessment the laws in the field as thick and too ambiguous: to the question "How do you assess the legislation on the pension insurance, unemployment and health?", the respondents assessed in 73% as ambiguous and bushy;
- indifference manifested both in the position of prime decision maker in the company, and especially to employees – answer employer no. 1 "I’m not interested in pension for now, long time till then and my female employees are not interested either because they are young".

Regarding the economical implications of the rates of social insurance, there were considerations on the rates of contribution like "high taxes kill taxes". From the answers provided, it results that the payment of contributions is a mandatory action that gives birth to uselessness and even doubts – answer employer no. 2 "I do not know why the CAS is so high, it is retained for no reason, because the pensions are small". Most answers refer to the relationship between fiscal pressure and the profit of firms. There are opinions according to which the contribution shares (assimilated to increased tax) would have negative consequences on firms, in general, discouraging productive activities but also on the labor force, manifesting itself through a number of effects such as evasion, undeclared work, etc: "out of 6 employees, only two have papers with us and I pay for them, while the rest, I will manage how to pay them...", answer of employer no. 3.

Also, excessive contribution rates, as they are perceived, oblige employers to pay low wages and at the same time to increase the price of products: "when one hires, one pays the value of another salary to the same time to increase the price of products: "

Regardless of the assessment of the contribution rates in relation to the benefits, from the analysis of responses, there was a bundling of those. Most respondents related quality shares of the use of funds finally showing their impact on employment. It appears the same opinions on the quality of the benefits, the percentages of contribution. The analysis suggests only immediate expectations of the social security systems. Systems philosophy is far from being perceived. The need to ensure unawareness risk is just some of the reasons of the attitude of employers that constituted the analyzed sample. The second sample was represented by the beneficiaries of the system. The methodological approach was considered to be interesting to see their position as contributors to certain insurance funds and as the beneficiaries of the scheme. There was examined the perception of the quality of services and benefits and at the same time, of the organizations involved in the supply. For the beneficiaries, bearing in mind the specificities of each target group, it was used the group interview as a technique for gathering information. The respondents were grouped as follows: the first group were the employees and second group, the unemployed.

For the 1st group, persons employed under an employment contract the discussions aimed:
- the perception of the public insurance systems;
- knowing the rights deriving from the taxpayer status;
- the confidence in the public insurance systems;
- awareness of the risks and of the self insurance;
- the assessment of complementary or alternative systems of pension insurance;
- the availability for additional contributions to the pension insurance;
- the availability for assuming double risks;
- the frequency with which they appeal to the public institutions;
- the trust in the public institutions;
- the balance of public - private depending on the opportunity cost and the perception of the quality of services.

The working group was heterogeneous. The structuring was done according to the following criteria: age and education. There were persons who have covered large age groups: under 25, between 26 and 50 years old and over 51 years old. Also the criteria of studies determined the selection of group members: general studies, secondary and higher education. It also should be noted that those selected in this group were employed, in almost equal proportions, in the public sector and in the private one. Regarding the 2nd Group, consisting of the unemployed, the moderation guide was structured on several dimensions:
− the last period they worked based on an employment contract;
− their relationship with institutions of the system;
− the appreciation of the unemployment insurance benefits;
− the attitude towards unemployment;
− the search for a job;
− the attitude towards training / retraining and also an eventual activity on their own;
− information on job vacancies;
− aspects concerning the living standards.

The results identified were grouped as follows:

✓ the lack of information regardless of the line of work, age or training perceiving contributions as loss of wages for the unemployed and pensioners, for the hospital;

There was found a unanimous response on the subject of research. Whatever the field one works in, the age or the professional training, it is found that this “tax” is perceived “as something retained from the salary”, that on the individual sheets that the employees receive, there are some deductions for the CAS and in essence, they are paid for health, pension and unemployment. Regardless of the socio-professional statute, the responders consider that the payers of the salaries have to keep a part of the money and redirect it to the state budget, out of which the hospitals, the unemployed and the retirees are paid.

✓ the absence of a culture of risk for loss of working capacity;

There were approached on the one hand, issues related to the legal system, the institutional system and on the other hand, the discussion was centered around the idea of risk, how risks are perceived, namely whose is the responsibility in taking the risk. There are not few the cases in which the laws are not known or the institutions operating within the social security system. However, the state is responsible for ensuring the revenues for its loss of ability to obtain it through work.

✓ distrust in the institutions that provide services in this field;

Discussions on unemployment and its subsumed measures were about the same character. Mandatory withholding of wages, “keeping the job until retirement” (to some employees of the state system) are some of the answers given by the people investigated. There occur even opinions that the retraining courses offered by the public institutions financed from the budget of unemployment are unreliable. People in the group, taking into account the event of job loss follows a series of training or retraining, but paying for them out of their pockets.

✓ distrust in the private insurance systems.

Although some of the investigated population prefers to pay both unemployment and health services, paradoxically they do not like the idea of private insurance funds. The argument is the idea that private funds in Romania are assimilated to pyramid schemes or associated with various procedures of the National Investment Fund.

Regarding the unemployed and the benefits of the system, although being unemployed is perceived as stigmatizing there has been found a passive behavior of respondents at least in relation to how to look for a job. Whether they followed the courses offered by Agency for Employment, whether they were included in the various training programs offered by companies it is found, unanimously, a pessimistic attitude about the possibility of finding a job. The certificates obtained after attending retraining courses are perceived as unnecessary.

The needs and concerns expressed by the participants in the group interview were summarized as follows:

✓ the strong need for jobs is not satisfied with the job offer:

All the participants complained about the lack of jobs and how there were made dismissals without taking into account the alternative solutions for those who become unemployed. The need for jobs is not satisfied at this time by the current job offer. The unemployed, at least those over the age of 45 face the impossibility of finding a job corresponding to their training (in most cases involving a single qualification that does not have high demand on the market) and employers prefer the employment of people under 40 years of age. The young unemployed argue, however, that in their case emerge entirely different issues: employment is not made on the basis of competence and professionalism, but rather on family basis. Most of the time, after a test period of 2-3 months, unpaid, employers prefer to call other people and retake the trial
period. Another problem is the lack of experience of young people just out of school, who are not given any opportunity to get involved and to specialize in a job.

- the need for information on the job market:
  Awareness of the available jobs is usually done in an informal environment, people telling each other the offers that are on the market. Other sources are cable TV and Local Employment Agency. These sources, however, are used quite a bit by the unemployed because the job opportunities that are presented mostly "outdated", without taking into thorough evidence of their level of actuality.

- the need for advice on professional orientation, especially among young people - felt itself especially by young people. They were never put in a position to draw up a CV and a letter of intent, all the "interviews" they attended they were relying solely on face to face discussion with the employer, without requiring prior submission of a CV, much less of a Letter of Intent;
  If the unemployed face disillusionment and distrust in the chance to ever find a job because of age, that is considered advanced, and of the poor market demands of the profession that they have mastered, the young people at the beginning of professional life feel disoriented. They do not know what would be an interview with a potential employer, they do not know to write a resume or a letter of intent because they were never asked for this. But they know that things should be made at another level, a professional one.

- the need for information on the rights of employees and obligations of the employers:
  All the participants in the group interview alleged that employers refuse to employ a person to work with labor book, probation periods are unpaid, without giving them any justification. The unemployed claim either they do not know where to complain about these abuses, either that, no matter where they claim, the employer will not be penalized.

- the lack of information on active employment measures on the workforce:
  The discussions showed that the Employment Agency has been involved in a minor extent in providing information on the measures of active employment of the workforce. There was a dim awareness of the outplacement service, one of the most important provisions for dismissals. The unemployed were not familiar with the rights they have acquired upon the entry into unemployment, except the right to the unemployment allowance as well as financial incentives in case of rehiring, the State grants allowances to start a business on their own and also professional and business consulting services. Under these conditions, people see themselves faced with not knowing what to do more to improve their standard of living, of not knowing what to ask or whom.

- the lack of information regarding the acting law of labour:
  All the participants in the group discussions lack the basic information on labor legislation and are unaware of the provisions of the Labour Code. They do not know their rights and obligations as they derive in the employment contract and the rights and obligations of employers stipulated by legal provisions.
  The solutions identified by the unemployed are grouped as follows:
  - going abroad is a way out of the crisis in which they are (most participants);
  - the retreat in rural areas in the near future to work the land;
  - did not agree looking for a job in another town, which would entail relocation, the employment bonus offered by the Employment Agency is not attractive.

4. Conclusions

The finality of the analysis:
- estimation of the perception - global and different segments of the population - as feedback of the quality of those activities related to the finality of the services and the organizations studied;
- the knowledge of the importance of services and institutions provided by various segments of the population (based on age, sex, socio-professional category, academic preparation).

To establish the extent to which the individuals in the sample are satisfied with the quality of social benefits of the institutions providing social services, we propose the calculation of an index of satisfaction \( I_s \), calculated as the share of those who believe on the quality of service for those who appreciate the large extent its importance. In this regard, future research will consider both the analysis of how these variables affect the satisfaction of social service beneficiaries and the possibility of other variables and the extent of their influence. Actions of social security reform must meet the needs of employers and the employees. A very important fact to be taken into account is the importance of social benefits to certain individuals.
References