Occupational health and safety management in micro and small enterprises

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Why care about small enterprises

• Provide the daily bread for most of the global population
• Their share of jobs are growing
• Limited resources (money, time and personnel)
• Under pressure from complex markets, competition from bigger firms, government red tape and limited credit access and much more

The work environment:
• Higher risk of accidents and occupational diseases
• Limited capacity to control (management attention and knowledge as well as time and money)
• More self-employed and informal sector under stressful conditions

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The trouble with small enterprises

- for regulators, supports systems as well as researchers

Slip between our fingers:
• Many birth and deaths (10% yearly)
• No uniform voice
• Limited interest in anything but business
• Suspicions towards authorities and experts
• Extenpensive to get in touch
• Huge heterogeneity
• Difficult to identify a management system – not least in OHS
The EU definition of SME and employment

<table>
<thead>
<tr>
<th>Size</th>
<th>% of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro (1-9)</td>
<td>30</td>
</tr>
<tr>
<td>Small (10-49)</td>
<td>21</td>
</tr>
<tr>
<td>Medium (50-249)</td>
<td>17</td>
</tr>
<tr>
<td>Large (&gt;249)</td>
<td>33</td>
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</tbody>
</table>
## Enterprises in the EU

<table>
<thead>
<tr>
<th></th>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
<th>SME</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>No enterprises</td>
<td>19,969,338</td>
<td>2,378,374</td>
<td>223,648</td>
<td>21,571,360</td>
<td>43,517</td>
</tr>
<tr>
<td>%</td>
<td>92,4%</td>
<td>6,4%</td>
<td>1,0%</td>
<td>99,8%</td>
<td>0,2%</td>
</tr>
<tr>
<td>No employees</td>
<td>38,629,022</td>
<td>27,353,660</td>
<td>22,860,792</td>
<td>88,843,464</td>
<td>44,053,576</td>
</tr>
<tr>
<td>%</td>
<td>29,1%</td>
<td>20,6%</td>
<td>17,2%</td>
<td>66,9%</td>
<td>33,1%</td>
</tr>
<tr>
<td>Value added (mill. Euros)</td>
<td>1,362,336</td>
<td>1,147,885</td>
<td>1,156,558</td>
<td>3,666,779</td>
<td>2,643,795</td>
</tr>
<tr>
<td>%</td>
<td>22,6%</td>
<td>18,2%</td>
<td>18,3%</td>
<td>58,1%</td>
<td>41,9%</td>
</tr>
</tbody>
</table>

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The large enterprise
• Distant ownership
• A professional management
• Several layers of management
• Formal employment relations
• Professional staff functions

The small enterprise
• Personal ownership
• Owner-manager
• Direct management
• Personalized employment relations
• No professionals outside core business function
• Limited management resources

Organisation and management
Our traditional understanding of employment relations fails

- Close personal relations dominate
- Both parties occupied with the maintenance of endurable relations
- The owner-manager seeks to be the first among equals
- Part of the employer responsibility handed over to employees
- The workers accept both owner-manager prerogative and extended responsibility
- The workers are rarely affiliated to a union or have access to elected representatives
- A personal relationship for good and for bad
Small enterprises evade the traditional business understanding

- Profit and growth not a decisive motive
- Primary concern survival and control of business
- Secure control of business
- Provide a living
- Integrate family life

The main priority is maintenance of an identity as owner-manager

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Creating an identity as an owner-manager

• The identity is tied to
  – a desired self-portrait
  – discourses about entrepreneurship, the craftsmanship, the family business and others

• The identity mirrors the expectations expressed through social relations to employees, customers, peers, authorities and other stakeholders

• The identity is expressed through narratives and dependent on the context
  – Often incoherent, contradictory, and varies over time

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Identity and the work environment

- Work environment is a peripheral issue with a potential for ethical and economic trouble
- Important to create a self-portrait as a decent person

Learning from serious accidents:
- Unpredictable events
- Personal blunders
- No prevention

Work environment attitudes:
- Generally positive
- Search for a common discourse on an acceptable work environment
- Downgrade risk
- Evade personal employer responsibility

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Downgrading risk

• Owner-manager, manufacturing squeegees:
  “It is not risky here. There are a few cuts but not serious ones, and people rarely go to the emergency room. It happened once when a guy broke his thumb not because a problem with the safety guard, but simply because people they make blunders.”

• Owner-manager, manufacturing components to food industry:
  “We have only had one accident in five year, I believe. Well, it is not that we are rolling in accidents. There was one who cut his finger in a saw but that was just a blunder.”
Avoiding personal employer responsibility

• Partner, spring factory:
  “Really, they have the possibility, haven’t they? And I do know as an employer you ought to be a bogeyman…….. but people damned well have to think by themselves, don’t they?”

• Owner-manager, carpenter-joiner:
  “I am fond of the people who work her, we are a family and if one of them is injured, it would make me feel very bad about my self. So they have to know that they should take care of themselves.”
## The need to differentiate

<table>
<thead>
<tr>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner-manager</td>
<td>Both owner-managers and professionals</td>
<td>Often professional management</td>
</tr>
<tr>
<td>One management level, Owner often work in operation</td>
<td>Two managements levels, owner don’t work in operation</td>
<td>Several full time management levels</td>
</tr>
<tr>
<td>Rarely growth and profit oriented</td>
<td>Sometimes growth and profit oriented</td>
<td>Stronger growth and profit oriented</td>
</tr>
<tr>
<td>Very low division of work</td>
<td>Division of work with a few professions</td>
<td>Division of work with several professions and expert support functions</td>
</tr>
<tr>
<td>Low formalization – nothing in writing</td>
<td>Some formalization – systematic bookkeeping</td>
<td>Formalization in terms of bookkeeping, contracts, certification</td>
</tr>
</tbody>
</table>
Attitudes to the work environment

Four different approaches:

• Avoidance
• A necessary evil
• Standards much be met
• Business strategy
A conclusion on the understanding of small enterprises

- Dominated by owner-managers
- The owner-managers takes personal identity from the business
- Personalized employer-employee relations
- The owner-managers protect the self from personal guilt for accidents and diseases
- Risk is downgraded and responsibility attributed to employees
- Work environment is a peripheral issue
- Scarce management resources is the most important limiting factor
  - OHS management has a low priority
Challenges for OHS management and preventive strategies

• Necessary to relate to business strategy
• Negative reactions to regulatory requirements which distract the attention from the core business
• Criticism of business is taken personally
• Information is only used if it arrives exactly as it is needed
• Owner-managers want to know what to do – not how to find out
• And to do things without paperwork and meetings
An acceptable work environment as a cornerstone

- Owner-managers need to maintain an identity as socially legitimate persons
- They search for a standard of the work environment which stakeholders find acceptable
- The standard constitute the licence to operate
- They interpret signals from workers, colleagues, customers, and authorities in order to identify an acceptable standard
- Workers are on one hand a key source for identifying the acceptable work environment on the other they have difficulties in challenging the owner-manager understanding
Changing the acceptable work environment level

Instruments

Legislative standard

Inspection

Recognition by social partners

Information dissemination

Mechanism

Express societal legitimacy

Signals social accept

Knowledge about consequence

The standard pursued by small firms

Context
Strategies for preventive actions

A high standard for an acceptable work environment

Effective support systems

Regulation

Inspection:
- Concrete
- Advisory
- Dialogue

The social partners

- Involvement
- Integration in legislation
- Responsibility

Outreach activities

- Intermediaries
- Personal
- Context

Tools

- Concrete
- Solutions
- Integration
- Not Ri. Ass.
Developing effective support systems

We know the requirements for effective tools:
• Practical oriented - What to do - not so much identification of risk
• Low cost
• Positive forward looking

What we lack sufficient knowledge about:
• Cost-effective and sustainable outreach activities
• Too often the system evaporates after the first pilot project
Developing effective support systems

The intermediary organisation

Embedment of the outreach activities

Dissemination to the enterprise

The small enterprise

Embedment

Interpretation

Change process

Effects

Organization of outreach activities

Tools for implementation of work environment improvements

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Developing effective support systems

Someone wants somebody else to do something

It is a social exchange with a two-sided relation building on trust and mutual benefits
The process of sensemaking

• An external suggestion for improvements need to make sense for the owner-manager

Does is:
• Solve a problem experienced as as real and påtrængende
• Make employees happier
• Increase legitimacy among stakeholders (customers, local community, authorities, peers)
• Contribute to business survival
Intermediaries

- Employers associations
- Chambers of commerce
- Accountants
- Banks
- Large firms
- Occupational health services
- Educational institutions (universities, colleges, vocational training centres)
- Small business advisory services
- Local community groups:
- Environmental groups, safety net (Canada), farmers’ wifes (Denmark)
Integration in business strategy – the weak link

• The work environment a sidecar as long as integration in business strategy is low

• Solving a health and safety problem should also solve a business problem

• Working across sectors and intermediaries necessary

Example:

• Better OHS planning in construction can improve the general planning process – but the methods should be simple and with few requirements for formalization

• In Denmark such a method have been developed and are now applied in practice

• Integration in business strategy – the weak link
Conclusion

• The world needs more jobs so secure the economy and combat poverty
• Small enterprises constitute the backbone of job creation
• But new jobs need to be sustainable:
  – Economically
  – Socially
  – Healthy
  – Environmentally
• We need to develop methods, tools and support systems which integrate business goals with OHS and environmental concerns
• In close contact to non-OHS intermediaries
Sesame
Thanks for your attention

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