

GUIDELINES FOR INSPECTORS IN IMPROVING WORKING CONDITIONS AND PRODUCTIVITY IN SMALL AND MEDIUM-SIZED ENTERPRISES

Small and medium-sized enterprises (SMEs) are an important part of a nation's economic activities. SMEs drive national economic activities by providing inexpensive basic parts to large-scale industries and by manufacturing goods which are not profitable for larger industries to produce. Moreover, SMEs employ a large percentage of the workforce in many countries, with the total number of workers in SMEs being more than in larger industries in most countries. In contrast, however, productivity and working conditions are better in large enterprises than in SMEs. Improving working conditions and productivity in SMEs is important for national economic growth as well as for the owners and workers of the enterprises. Improving working conditions in SMEs is essential for achieving a national level improvement in working conditions and productivity and is, therefore, an important goal for labour inspection.

Advantages and Constraints of SMEs

SMEs have a number of unique advantages:

1. SMEs provide jobs to poorly skilled and semi-skilled workers;
2. Many SMEs provide jobs in rural areas where finding a job is more difficult than in urban areas;
3. Productivity is often low in SMEs, which provides a high potential for improvement;
4. SMEs are eager to have more information to improve productivity and working conditions;
5. Improvements in productivity and working conditions can be carried out quickly since most managers are both the owner and the manager of the enterprise;
6. The relationship between workers and managers is closer, which favours cooperation;
7. Managers often work in the factory and therefore understand technical problems and are able to take innovative, informal and flexible approaches to solving problems.

Many SMEs suffer from business and management constraints which create difficulties introducing improvements in working conditions and productivity. Some of these constraints include:

1. Financial problems, since SMEs often have low investment capital and little access to loans;
2. Difficulty obtaining high quality raw materials;
3. Difficulty marketing products;
4. Inadequate power supply and transportation systems;
5. Poor quality of plant and equipment;
6. Difficulty finding skilled workers;
7. Lack of knowledge about management and occupational safety and health;
8. Lack of technical support.

The Inspectors' Role

Factory inspectors in many countries are making positive contributions toward improving working conditions in SMEs by using a solutions-oriented approach. Improvements can be achieved when the problems specific to SMEs are addressed and when there is voluntary participation in applying solutions. Today, more emphasis is placed on the role of inspectors promoting the improvement of working conditions through both regulatory and advisory functions. Several approaches can be used to achieve better working conditions. One approach is to inform employers about national regulations and to issue instructions for enterprises to follow these standards. Another approach, increasing in importance, is to encourage voluntary actions by management to improve working conditions and to provide advisory services which can include:

1. Informing employers about national labour standards and issuing instructions on how enterprises can follow these standards in practice;
2. Inspecting working conditions with the goal of providing advice for improvement;

3. Worker and management training in occupational safety and health;
4. Providing access to information services;
5. Providing occupational safety programmes;
6. Providing occupational health and welfare services.

Tips for making improvements in SMEs

Ensuring that improvements are sustained can be difficult in SMEs compounded by the fact that usually there are too many SMEs compared with the number of inspectors. Despite these challenges working conditions should be improved for the safety and health of workers in SMEs. Inspectors can achieve positive results using a solutions-oriented approach which includes the following:

1. **Identify** the nature of the problem.
2. **Encourage** managers, supervisors and workers to take **action voluntarily** using their knowledge of local conditions and knowledge of workable solutions.
3. **Give practical advice** that is both functionally and financially achievable by the enterprise and which encourages improvements that can be easily implemented.
4. **Find low cost solutions** because SMEs often have small budgets for both safety and productivity-related activities. Inexpensive yet effective solutions are easy to find.
5. **Find solutions which increase both productivity and quality** because SMEs are eager to increase productivity. Managers are likely to apply improvements in working conditions if their productivity will increase too. Encourage improvements that are in line with existing management goals.
6. **Focus on achievement and avoid criticism** because people are more likely to accept suggestions which support their own ideas. Find good examples of improvements and encourage the person who initiated the improvement to expand the idea to other areas of the workplace where similar improvements could be applied.
7. **Use examples of local practice** as opposed to using examples from other countries with which managers may not identify. Show photographs of solutions taken at local enterprises and show how these solutions can work efficiently. Managers are likely to adopt in their own enterprise similar improvements made in neighbouring enterprises.
8. **Suggest making small but continuous improvements** trying out an idea first on a small-scale basis to see how it works. Use a checklist both for detecting problems and to get practical ideas.

SMEs need the inspector's support

1. Managers of SMEs often resist making changes due to difficult economic conditions and due to the fear that making changes to improve working conditions may jeopardize the enterprise's competitiveness. Recognizing the reasons for resistance to implementing change is helpful for finding ways of overcoming such resistance. The following are some common concerns of SME managers: SME productivity is often very low, mainly caused by a lack of knowledge about efficient production methods and a lack of knowledge about what may create inadequate working conditions. Managers want to increase productivity and improve working conditions.
2. SME managers often think special or professional knowledge is needed for improving working conditions;
3. Managers fear changing traditional working conditions;
4. Managers fear spending time and money for failure;
5. Managers are so busy in their daily work that they often forget the importance of improving working conditions;
6. Managers think that the task of improving working conditions is too large to tackle;
7. Managers may not see their own good examples of positive practice because they are too close to their own work. Inspectors can point out positive practices.

Tips for using practical advice to initiate change

Inspectors can show managers that:

1. Improving working conditions is not special nor is it difficult;
2. There are many simple and low-cost solutions to improve both productivity and working conditions;
3. It is easy to find examples of improvements in their own enterprise and in neighbouring enterprises of a similar size;
4. Improving working conditions often leads to an increase in productivity, therefore it is worth spending some time thinking about ideas for improvements;
5. Making small but continuous improvements is the only way to achieve success.

Working together with managers and workers of SMEs

1. Inspectors have the important role of providing practical advice, training, information and technical support to encourage the daily activities of managers and workers;
2. It is up to managers and workers to play the leading role in increasing productivity and improving working conditions;
3. Daily participation at the workplace by managers and workers is indispensable, taking voluntary initiatives to improve working conditions and productivity in their own working environment;
4. Inspectors should use advisory services as much as possible particularly because it is impossible to visit all SMEs on a regular basis given their large number compared with the number of inspectors;
5. Inspectors should encourage managers to organize local working groups to exchange experiences and to encourage each other.

Improving working conditions in SMEs is important. At the local level, owner-managers and workers should work together to raise the level of working conditions in the enterprise. In turn, this will eventually lead to the improvement of working conditions at the national level. Although it may seem to be a large and difficult task, working conditions can be improved drastically by using straightforward, practical measures.

CHECKLIST FOR IMPROVING WORKING CONDITIONS AND INCREASING PRODUCTIVITY IN SMALL AND MEDIUM-SIZED ENTERPRISES

How to use the checklist

1. Ask the manager any questions you have. You should learn about the main products and production methods, the number of workers (male and female), the hours of work (including breaks and overtime) and any important labour problems.
2. Define the work area to be checked. In the case of a small enterprise the whole production area can be checked. In the case of a larger enterprise, particular work areas can be defined for separate checking.
3. Read through the checklist and spend a few minutes walking around the work area before starting to check.
4. Read each item carefully. Look for a way to apply the measure. If necessary, ask the manager or workers questions. If the measure has already been applied or it is not needed, mark NO under "Do you propose action?" If you think the measure would be worth while, mark YES. Use the space under REMARKS to put a description of your suggestion or its location.
5. After you have finished, look again at the items you have marked YES. Choose a few where the benefits seem likely to be the most important. Mark PRIORITY for these items.
6. Before finishing, make sure that for each item you have marked either NO or YES, and that for some items marked YES you have marked PRIORITY.

MATERIAL STORAGE AND HANDLING

1. Everything which is not in frequent use is cleared out of the work area.
Do you propose action?
Yes No Priority
Remarks _____
2. Racks are provided for storage of tools, raw materials, parts and products.
Do you propose action?
Yes No Priority
Remarks _____
3. Pallets are used to hold and move raw materials, semi-finished goods and products.
Do you propose action?
Yes No Priority
Remarks _____
4. Racks, work-benches and similar items are placed on wheels for easy handling.
Do you propose action?
Yes No Priority
Remarks _____
5. Carts, movable racks, cranes, conveyors or other mechanical aids are used for moving heavy loads.
Do you propose action?
Yes No Priority
Remarks _____

WORKSTATIONS

6. Switches, tools, controls and materials are in easy reach of workers.
Do you propose action?
Yes No Priority
Remarks _____
7. Lifts, levers or other mechanical means are used to reduce physical effort.
Do you propose action?
Yes No Priority
Remarks _____
8. A stable work surface is provided at each workstation.
Do you propose action?
Yes No Priority
Remarks _____
9. Jigs, clamps, vices or other fixtures are used to hold items while work is performed.
Do you propose action?
Yes No Priority
Remarks _____

10. The height of equipment, controls and work surfaces are adjusted to prevent bending or high hand positions.
Do you propose action?
Yes No Priority
Remarks_____
11. Work methods are changeable so that workers can alternate sitting and standing while working.
Do you propose action?
Yes No Priority
Remarks_____
12. Chairs or benches are provided with the correct height and a sturdy backrest.
Do you propose action?
Yes No Priority
Remarks_____

PRODUCTIVE MACHINE SAFETY

13. Guards are attached to dangerous moving parts of machines and power transmission equipment.
Do you propose action?
Yes No Priority
Remarks_____
14. Safety devices prevent machine operation while workers' hands are in danger zones.
Do you propose action?
Yes No Priority
Remarks_____
15. Guards are designed so they do not interfere with visibility, production or maintenance.
Do you propose action?
Yes No Priority
Remarks_____
16. Mechanical devices or magazines are used for machine feeding.
Do you propose action?
Yes No Priority
Remarks_____
17. Machines are well maintained with no broken or unstable parts.
Do you propose action?
Yes No Priority
Remarks_____

CONTROL OF HAZARDOUS SUBSTANCES

18. Hazardous chemicals are substituted with less hazardous substances.
Do you propose action?
Yes No Priority
Remarks_____

19. Organic solvents, paints, glues, etc. are kept in covered containers.
Do you propose action?
Yes No Priority
Remarks_____
20. Local exhaust ventilation is used or improved where needed.
Do you propose action?
Yes No Priority
Remarks_____
21. Workers wash their hands with soap before eating or drinking.
Do you propose action?
Yes No Priority
Remarks_____
22. Workers wash and change their clothes before going home if they have worked around hazardous substances.
Do you propose action?
Yes No Priority
Remarks_____
23. Adequate numbers and appropriate types of personal protective equipment are provided as a last line of defence.
Do you propose action?
Yes No Priority
Remarks_____
24. Workers are trained in the proper use and maintenance of personal protective equipment.
Do you propose action?
Yes No Priority
Remarks_____
25. Personal protective equipment is regularly monitored.
Do you propose action?
Yes No Priority
Remarks_____

LIGHTING

26. Skylights and windows are kept clean.
Do you propose action?
Yes No Priority
Remarks_____
27. Ceilings are white and walls painted light colours and kept clean.
Do you propose action?
Yes No Priority
Remarks_____
28. General artificial lighting is provided and adequate for the type of work performed.
Do you propose action?
Yes No Priority

Remarks_____

29. Measures are taken to reduce glare.
Do you propose action?
Yes No Priority
Remarks_____
30. Local lighting or adjustable lamps are provided for precision work.
Do you propose action?
Yes No Priority
Remarks_____
31. Light fixtures are cleaned and maintained and light bulbs replaced regularly.
Do you propose action?
Yes No Priority
Remarks_____

WELFARE FACILITIES

32. An adequate supply of cool, safe drinking water is provided.
Do you propose action?
Yes No Priority
Remarks_____
33. Sanitary facilities are provided close to the work area and regularly cleaned.
Do you propose action?
Yes No Priority
Remarks_____
34. Separate toilets are provided for women.
Do you propose action?
Yes No Priority
Remarks_____
35. A separate, comfortable and clean place is provided for eating meals.
Do you propose action?
Yes No Priority
Remarks_____
36. Storage is provided for clothing, bicycles and other personal belongings.
Do you propose action?
Yes No Priority
Remarks_____
37. First-aid equipment and a qualified first-aider is available.
Do you propose action?
Yes No Priority
Remarks_____

PREMISES

38. Metal walls and roofs are backed with insulating materials to reduce heat build-up.
Do you propose action?
Yes No Priority
Remarks_____
39. Roof and wall openings are used to increase natural ventilation.
Do you propose action?
Yes No Priority
Remarks_____
40. Sources of heat, noise, fumes and arc welding are eliminated or isolated to reduce heat.
Do you propose action?
Yes No Priority
Remarks_____
41. Fire extinguishers are within easy reach of workers.
Do you propose action?
Yes No Priority
Remarks_____
42. Workers know how to use the fire extinguishers.
Do you propose action?
Yes No Priority
Remarks_____
43. There are at least two unobstructed exitways from every floor and from every large room.
Do you propose action?
Yes No Priority
Remarks_____
44. Passageways are kept clear with markings or barriers provided to keep them clear.
Do you propose action?
Yes No Priority
Remarks_____
45. Sufficient electric sockets are provided for each workstation to prevent frayed, irregular, entangled or octopus wiring connections.
Do you propose action?
Yes No Priority
Remarks_____

WORK ORGANISATION

46. Machines are used to combine operations and reduce the number of work tasks.
Do you propose action?
Yes No Priority
Remarks _____
47. Workers can change tasks frequently and have the possibility to talk with other workers.
Do you propose action?
Yes No Priority
Remarks _____
48. Buffer stocks are used to keep work flow constant while allowing self-paced work.
Do you propose action?
Yes No Priority
Remarks _____
49. Quality circles or group work is used to involve workers in production planning and safety activities.
Do you propose action?
Yes No Priority
Remarks _____
50. The workplace layout and order of operations are arranged to eliminate unnecessary movements.
Do you propose action?
Yes No Priority
Remarks _____