Supporting small and medium-sized enterprises

TO GROW AND CREATE BETTER JOBS
Sustaining Competitive and Responsible Enterprises (SCORE) is an ILO global programme that improves productivity and working conditions in small and medium enterprises (SMEs). The key intervention of the global programme is support for the implementation of SCORE Training, which combines practical classroom training with in-factory consulting. SCORE Training demonstrates best international practice in the manufacturing and service sectors and helps SMEs to participate in global supply chains.

SCORE Training focuses on developing cooperative working relations resulting in shared benefits. The five SCORE Training modules cover Workplace Cooperation, Quality Management, Clean Production, Human Resource Management, and Occupational Safety and Health. Each module includes a two-day classroom training for managers and workers, followed by on-site consultations with industry experts that help to put the training into action in the workplace.

The ILO is assisting government agencies, training providers, industry associations and trade unions in emerging economies in Africa, Asia and Latin America to offer SCORE Training to enterprises. There is also a focus on developing innovative partnerships between the ILO, multinationals, lead buyers and brand consortiums, to encourage the integration of SCORE Training in supplier development strategies.

The SCORE Programme is managed by a global team based in ILO Country Offices and Headquarters, supported by the Governments of Switzerland and Norway.
SCORE COUNTRIES AND SECTORS

The SCORE programme is funded by the Swiss State Secretariat for Economic Affairs and the Norwegian Agency for Development Cooperation. Since 2010, over **1400 enterprises** and **over 300,000 staff** were trained in programme countries.

The programme is active in 11 core SCORE countries: Bolivia, China, Colombia, Ethiopia, Ghana, India, Indonesia, Myanmar, Peru, Tunisia and Vietnam with activities in several pilot countries including: Turkey, Sri Lanka, Bangladesh and Kenya. In Phase III, the programme will continue its work to ensure that national partners are ready to independently promote and deliver SCORE Training over the longer term.
THE SCORE TRAINING PROCESS

Training for each Module begins with a two-day workshop facilitated by an expert. Four to five enterprises are trained together and each enterprise is represented by four participants: two managers and two workers. After the workshop, experts visit the enterprises to offer advice and support as the training is put into practice.
THE SCORE TRAINING MODULES

All enterprises start the SCORE Training with Module 1: Workplace Cooperation – A Foundation for Business Success. Further modules are then selected based upon priorities decided upon during the baseline assessment.

Module 1: Workplace Cooperation – A foundation for business success

- Unite employees around shared targets
- Involve the entire workforce in continuous improvement

Module 2: Quality - Managing Continuous Improvement

- Identify customer needs
- Develop quality assurance culture
- Reduce defects systematically

Module 3: Productivity Through Cleaner Production

- Save costs and increase efficiency
- Systematically reduce waste & energy usage

Module 4: Workforce Management for Cooperation and Business Success

- Develop Human Resource strategies for better recruitment & retention
- Motivate & develop the right people to make staff a competitive advantage

Module 5: Safety & Health at Work: A Platform for Productivity

- Eliminate or minimise workplace health & safety risks that lead to injuries, expenses & lower productivity
KEY SCORE TRAINING IMPACTS AT THE ENTERPRISE LEVEL

The SCORE programme has developed a Monitoring and Evaluation database, which makes it possible to track the impacts of the training on a range of performance indicators. The graphs presented here are extracted from SCORE’s database (October 2017).

% OF SMES THAT REPORT IMPROVEMENTS AFTER SCORE TRAINING (2010-2017)

Cost savings: 65%
Reduction of waste produced: 40%
Reduction in defects: 39%
Reduction of materials wasted: 35%
Reduction of absenteeism: 33%
Reduction of energy consumption: 27%
Reduction in worker complaints: 26%
Increase in wages: 26%
Reduction of accidents: 25%
Reduction in labour turnover: 23%

BEFORE

A disorganised and unsafe work area
Workers spent unnecessary amounts of time each shift to transport products across the factory floor by hand

AFTER

The work area is reorganised for greater efficiency and improved safety
A new machine allows products to be transported much faster and with the support of less workers – also reducing risk of injury
THE SCORE “WIN-WIN”

FOR SME OWNERS AND ENTERPRISE CLUSTERS
- Increased access to national and global markets as more are able to meet buyer and labour law requirements
- Healthier, more motivated employees and improved workplace relations
- Lower waste and defects
- Opportunity to network and share new practices

SME WORKERS
- The chance to improve safety and solve problems, creating a healthier and better place to work
- A voice in the enterprise, and a chance to contribute to and benefit from growth

NATIONAL AND INTERNATIONAL BUYERS
- More competitive suppliers with better compliance
- Lower reputation risk supplier practices

COMMUNITY BENEFITS THROUGH SUSTAINABLE GROWTH

In SCORE Training, SMEs are supported to enhance worker-manager cooperation and create safer, more efficient and more productive workplaces. This in turn, raises competitiveness and increases the potential for the businesses to grow and bring more and better jobs to local communities.

The promotion of environmentally-friendly practices is integral to the training, as an important factor for sustainability, worker health and frequently, a source of cost savings. For example, participating firms are supported in efforts to reduce waste, recycle, safely handle pollutants and on many other steps towards a “greener” enterprise. Such improvements help ensure a healthier community, improve business access to export markets (through improved compliance), and help to make the final product more attractive to increasingly environmentally conscious consumers.

Vietnam: Scrapwood from flooring & furniture manufacturing is used to create new products such as cutting boards.
INNOVATIVE PARTNERSHIPS TO SUPPORT DECENT WORK IN GLOBAL SUPPLY CHAINS

Increasingly, there is a demand for better transparency in global supply chains. Looking to ensure that products and services arrive as a consequence of ethical and sustainable practice, the onus is now firmly at the top of the chain, with multinationals, lead buyers and brand consortiums compelled to react.

SCORE Training strengthens the capacity of SMEs, many of which are suppliers for both national and international buyers, to increase productivity through improved workplace cooperation, cleaner production, human resource management and health and safety. Through increased productivity, the ability to engage in a global market with growing price competition, can be realized.

With successful results in over 1,400 enterprises so far, SCORE Training is now being promoted by lead buyers and trade associations to their members and suppliers, often also subsidizing fees for participation.

Engagement efforts were bolstered following the 2016 ILC (International Labour Conference) Committee on Decent Work in Global Supply Chains, in which a recommendation was made calling for the ILO to “scale up development cooperation programmes [such as SCORE] to address decent work challenges in global supply chains”.

Collaborations expanded to include pilot programs with multinational companies such as Inditex, as well as with international brand alliances including the Ethical Trading Initiative (ETI) in the UK, and will continue to be a focus throughout the remaining Phase of the ILO SCORE Programme.

Not only does this engagement boost the validity of ILO standards and compliance as a selling tool for SME participation, but it encourages the creation of better and more jobs in SMEs through improved working conditions. What’s more, by the prospect of more efficient and quality suppliers, lead buyers and multinationals are incentivized to finance, promote and otherwise embed SCORE Training in their supplier development strategies.

To ensure long-term sustainability, the aim is to successfully embed SCORE Training into national training programmes and budgets, build capacity for independent implementation and to collaborate with national and global lead buyers to promote it along the supply chain.
A SCORE CASE STUDY FROM CHINA

Thanks to SCORE Training, this garment factory in China’s Zhejing Proivince, has a new look and feel. Employees now enjoy a cleaner working environment, higher morale and a more harmonious working relationship between management and workers.

It was a big day for Huasheng Garments Co. Ltd on the morning of the company’s 16th founding anniversary. Almost all 300 employees formed a line through the company compound waiting to receive a gift, as had always been a company tradition. This year’s celebration was different.

At the beginning of the long queue was Li Juanying, the company’s Vice General Manager, who was giving out the presents. “Everybody will get 10 kilograms of apples, 12 cans of eight-treasure congee and a food canister,” Li said, smiling back at the workers’ grinning faces. Previously, this celebration had created a big headache for Li, “In the past, only a few people in management made the decision on how to celebrate the anniversary.”
Now, thanks to the establishment of an Enterprise Improvement Team (EIT), both workers’ and management were involved in deciding how the festivities would shape up, “It should always have been like this,” said Li. She had always recognized the need to improve management and enhance its engagement with the employees in order to foster higher morale and a more harmonious working relationship.

SCORE Training was first introduced to management at Huasheng Garments Co., when client and British fashion company, White Stuff offered to sponsor their participation. “To be honest, we started the company from scratch and management has been our weak point,” Li said.

White Stuff, a member of leading UK alliance for the promotion of worker rights’, the Ethical Trading Initiative (ETI), and ILO partner, continues to support the promotion and implementation of SCORE Training amongst its’ members’ in order to encourage better working conditions whilst also improving productivity and enhancing their compliance capability.

The effect was almost immediate. Only three months into the project, the company started to see changes as a result of Module 1 on workplace cooperation. The working environment was now neat and tidy, managers and workers had developed better communications, productivity improved substantially, the percentage of defective products dropped and employees had become motivated to engage themselves for the development of the company.

This year’s anniversary celebration was a good example. “We had a special EIT meeting to discuss what presents the employees want,” Li said. “In the end, we decided to let the employees vote,” not only demonstrating that management values the opinion of their workers’, but also relieving the pressure to get it right.

Less than six months after completing Module 1, 11 Enterprise Improvement Projects have been completed. “We give financial rewards to the workers whose suggestions are adopted,” said Li. Recently a cleaner who suggested cutting power in the workshop after-hours in order to curb energy wastage was rewarded, whilst others who made suggestions about food quality in the cafeteria, parking and restroom sanitation also received recognition.

What’s more, these discussions are going beyond the meeting itself. Workers now communicate via an instant messaging app, and by simply sending a message they are now addressing problems collectively.

When the module on workplace cooperation was near completion, a survey at Huasheng revealed that more than 80% of employees are satisfied with the company, nearly five percent higher than before SCORE Training, and there has been a 400% reduction in defects.
TOOLS FOR SUCCESS: HOW SCORE PROMOTES CONTINUOUS IMPROVEMENT

The Enterprise Improvement Team

The first action that participating enterprises usually take following the two-day SCORE Training is to form an Enterprise Improvement Team (EIT). The EIT brings together workers and managers to identify issues to be addressed and create an Enterprise Improvement Plan. For some enterprises, the idea of workers and managers discussing issues together is innovative in itself. Even in firms where meetings take place, communication is often top-down, providing little or no opportunity for workers to share their concerns or their ideas for improvements.

The formation of the EIT may seem like a small step, but it is the key driver of a culture change, which promotes workplace cooperation, continuous improvement and innovation.

Sharing ideas: employee suggestion schemes

An employee suggestion scheme is a systematic way for workers to share their ideas for improving the workplace and business operations. As the people who carry out the processes all year around, machine operators, assembly workers, maintenance people and other shop floor workers know better than most where time is wasted or problems arise. They often have excellent ideas on how to avoid these, but feel unable to speak up. A suggestion scheme is one answer to this and can lead to new ideas being shared that improve efficiency and quality as well as giving workers an increased sense of engagement in the enterprise.
ESSENTIALS OF WORKPLACE COOPERATION

Workplace cooperation is based on trust, mutual respect and confidence built on good communication and information sharing. SCORE Training introduces various tools to managers and employees that improve workplace cooperation and help SMEs move to higher levels of quality and productivity. These tools are taken from worldwide best practices used by leading companies to achieve outstanding results.

WORKING TOWARD GENDER EQUALITY IN THE WORKPLACE

Women face strong barriers to access the labour market and combat disparities once inside it. With SMEs playing a predominant role in employment and job creation, and with almost a third of formal SMEs owned by women, gender equality has always been seen as a key component of the SCORE Programme.

SCORE Training is promoted and delivered in a mix of male and female-dominated sectors and to women-owned or managed SMEs. SCORE Training was developed with a fully embedded gender strategy and mainstreamed gender practices, also ensuring outcomes are measureable by gathering sex-disaggregated data to incentivize balanced participation.

Gender-related initiatives implemented within participating SMEs, are already prevalent, including: upgrading privacy in changing areas, creating family-friendly policies, communicating a clear stand on zero tolerance for harassment and setting up sensitive complaint systems.

These efforts are directly aligned with Sustainable Development Goal 5: Achieving gender equality and empowering women and girls and SDG 8: Promoting productive employment and decent work for both men and women.
MORE SCORE TOOLS

Measuring improvements

SCORE Training incorporates two types of measurement of change. The first is the gathering of pre- and post-implementation data. Yes-No indicators are used to record whether the company has important policies or practices in place e.g. a health and safety policy or regular workplace meetings. Other indicators track changes relating to productivity, physical conditions and matters relating to employees, performance and well-being, e.g. defect rates, accident rates and employee turnover.

The second form of measurement promoted in SCORE Training – Visual Measurement – is inspired by the 5s approach to continuous improvement. Before and after photos are taken and displayed, so everyone can see the difference that can be made by simple, low-cost actions. Both this visual evidence and the more classical data, show both managers and workers the benefits of their joint efforts, fuelling a continuous program of change.

The application of 5s

5s is an excellent way to build workplace cooperation because it relies on teamwork and joint problem solving. The name “5s” comes from the Japanese words used for five “housekeeping rules”, which all begin with the letter “se” (or “shi”).

In many enterprises, basic work organisation and untidiness create an important drag on productivity, increasing retrieval times and creating delivery delays, problems with raw material expiration, increased accidents and losses through breakage. 5s provides a simple system that enterprises can easily implement to avoid these types of issues.

THE KAIZEN 5S IMPROVEMENT CIRCLE

- **Sort**: Distinguish the necessary items from the unnecessary.
- **Set in Order**: Arrange necessary items in good order.
- **Standardize**: Thoroughly clean your work areas and equipment.
- **Self Discipline**: Do things spontaneously without being told or ordered.
- **Sweep**: Make cleaning and maintaining order part of the daily routine.
WHAT PARTICIPANTS SAY ABOUT SCORE TRAINING

“*The staff thinks twice before skipping work as everyone looks forward to the daily ten minute line meeting. For them this is a window of opportunity to flag issues pertaining to their work and improve their day-to-day operations...a sense of responsibility has started to build up. Employees regularly inform teams and managers of their planned leaves, fill their leave cards and things move smoothly. Earlier there was barely any communication between the supervisor and the worker.***”
Ms. Manjushree Gaonkar, Group HR Officer, Shree Shyam Processors Pvt Ltd, India

“*We now deeply believe that improvement is everywhere and endless*”
He Yifang, Manufacturing Director of Yida Express, Nanxun, China

“In the implementation of the SCORE Training modules, we delivered significant changes to our workshop which is now a safer and cleaner working environment. The workers are now more proactive in workplace cooperation and continuous improvement. We were able to improve our productivity by 20% and reduce the overtime by over 30%.”
Mr. Huynh Quang Thanh, Director, Hiep Long, Viet Nam

“As we started to hold discussions with the workers, we began to realize that they are the spearhead of the company’s progress. They know what they need and what areas should be improved to move the company forward”
Surya Ayu Paulina Kuhn, President Director, PT. Dianatina Ayu, Indonesia
15

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Lean manufacturing
Productivity
Workplace cooperation
Workforce skills
Competitive advantage
Customer satisfaction
Enterprise growth
Competitiveness

88% Global average rate of satisfaction with SCORE Training

“The establishment of the EIT has created a winning spirit and ensured that information flows through all departments and that they all work together as a team.”
Mr Ezrom Mathumbu, Hospitality Services Manager, Satara Rest Camp, Kruger National Park, South Africa

“The SCORE Training encouraged me to employ women on the factory floor for the first time and they are doing very well.”
Vivian Adu, CEO, Rose Aluminium Co. Ltd. Accra, Ghana

What you learn here also spreads to your home life, especially the way we maintain order, the things you learn here are very useful.”
Soledad Galves, Warehouse Worker, Nutrimentos Maybo, Bolivia

If I learnt something from this process, it’s that while one opinion may not change anything, all of them together begin to change the company’s vision, and I can’t expect to change my company without the support of my staff/employees”
Robinson Montoya, Production Manager and Founding Partner, Calza Kids, Colombia

Before the SCORE Training, we couldn’t work effectively and the workplace was dirty and disorderly. With these new changes, we work much more efficiently ...the new atmosphere motivates us to work better each day. Everyone feels better working in a clean and orderly workplace.”
Miguel Sairitupac, Machine Operator, Solasky, Peru

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The programme

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SCORE Training is an integral part of ILO’s Small Enterprises Unit, developed and implemented with the support of the Swiss State Secretariat for Economic Affairs (SECO) and the Norwegian Agency for Development Cooperation (NORAD).