



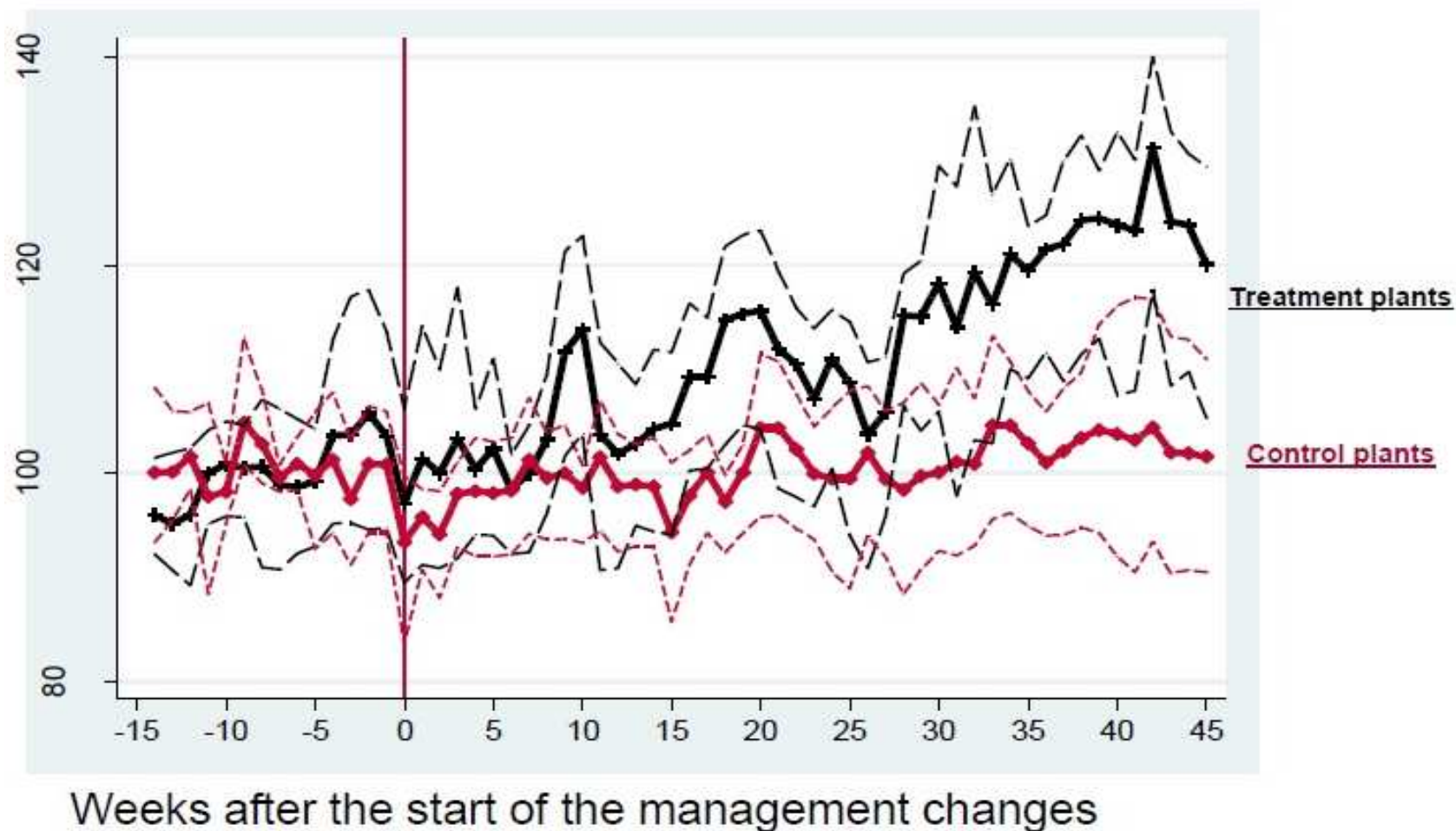
Productivity and working conditions in SMEs



A SAMPLE OF ILO ENTERPRISE-LEVEL TOOLS AND PROGRAMS



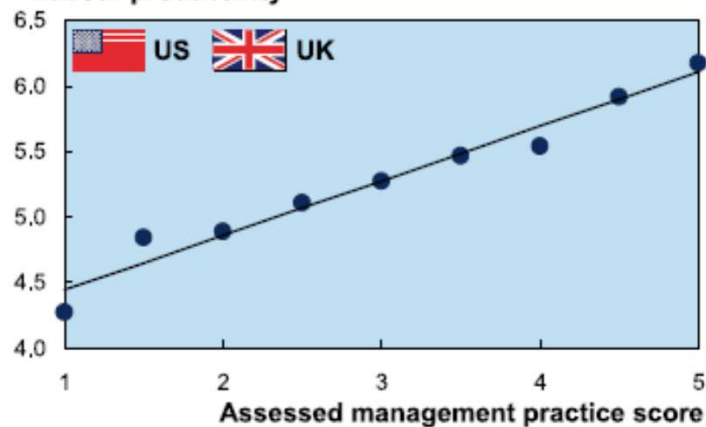
Management practices and productivity: what happens if firms improve management practices?



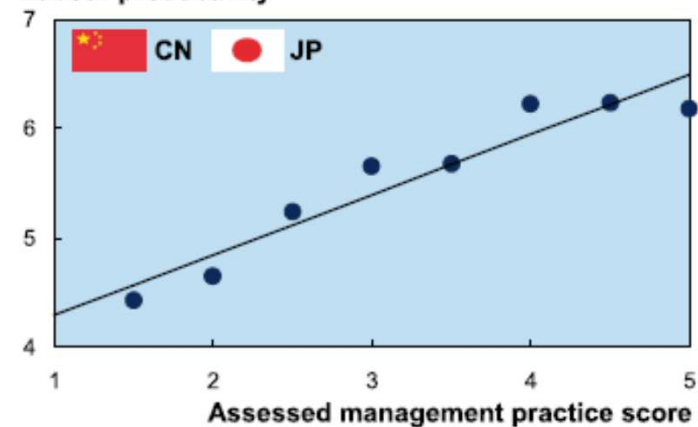
Source: Bloom (2013): Does Management Matter? Evidence from India



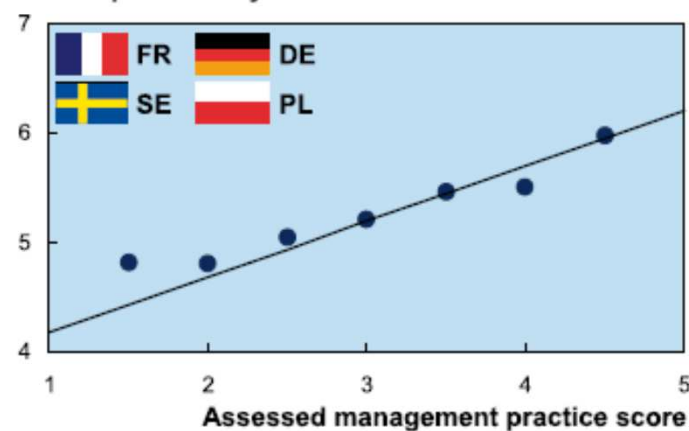
Labour productivity



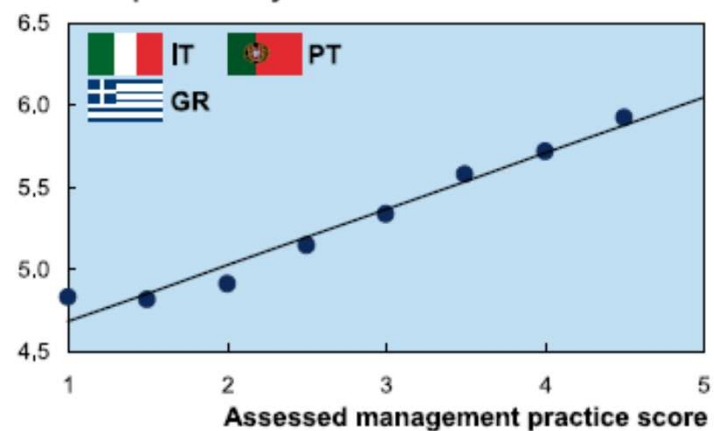
Labour productivity



Labour productivity



Labour productivity

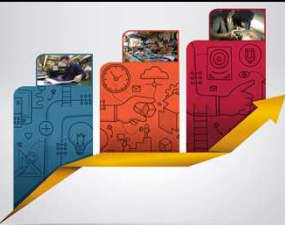


Firms are grouped in 0.5 increments of assessed management score



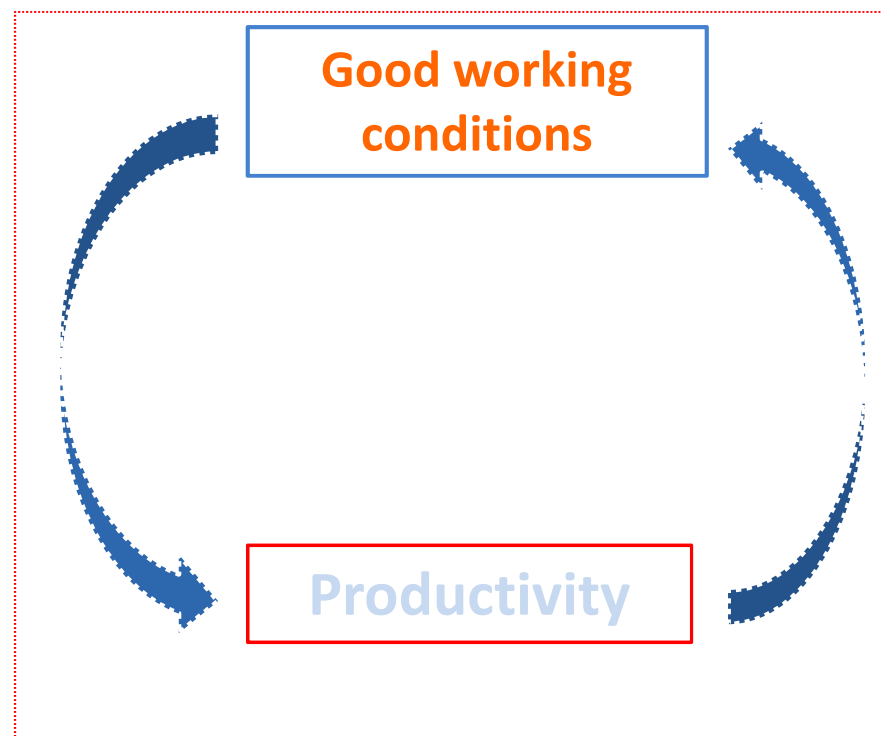
Eighteen elements of management that drive performance

Operations management	Monitoring management
1. Introduction of lean manufacturing techniques	4. Performance tracking
2. Rationale for lean manufacturing techniques	5. Performance review
3. Process documentation	6. Performance dialogue
	7. Consequence management
Targets management	People management
8. Targets breadth	13. Instilling a talent mindset
9. Targets interconnection	14. Rewarding high performance
10. Targets time horizon	15. Addressing poor performance
11. Targets are stretching	16. Promoting high performers
12. Performance clarity and comparability	17. Attracting talent
	18. Retaining talent



ILO enterprise-level approaches to productivity and working conditions

- Catalysing the links between improvements in the two areas
- Promoting integrated good practices (management and labour)
- Fostering dialogue





Catering to a diversity of enterprise needs, institutional environments and partnership modalities

A sample of ILO tools

- SCORE
- SIYB
- C-BED



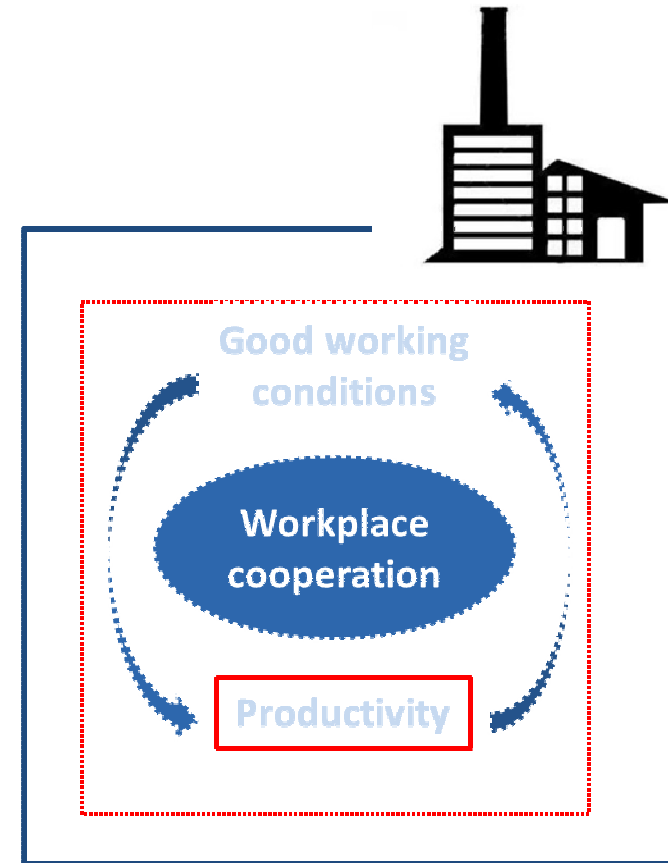


SCORE



What is SCORE Training?

- Training and consulting programme for SMEs
- Teaches high-performance workplace practices
- Integrates concern for working conditions into core business operations
- Promotes continuous improvement culture





SCORE combines bundles of good management practices which reinforce each other

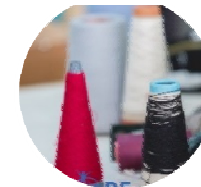
Lean manufacturing /kaizen

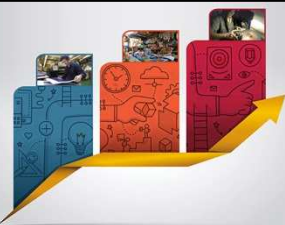
Safety and Health practices

Performance-oriented HRM



Increase **productivity**
Improve **working conditions**

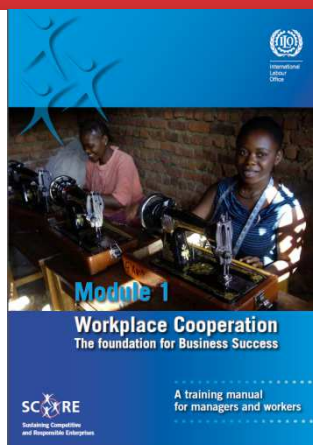




A modular programme



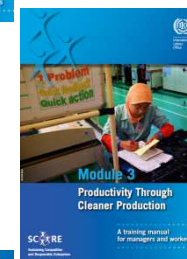
Module 1:
Workplace Cooperation
– A foundation for business success



Module 2:
Quality - Managing Continuous Improvement



Module 3:
Productivity Through Cleaner Production



Module 4:
Workforce Management for Cooperation and Business Success

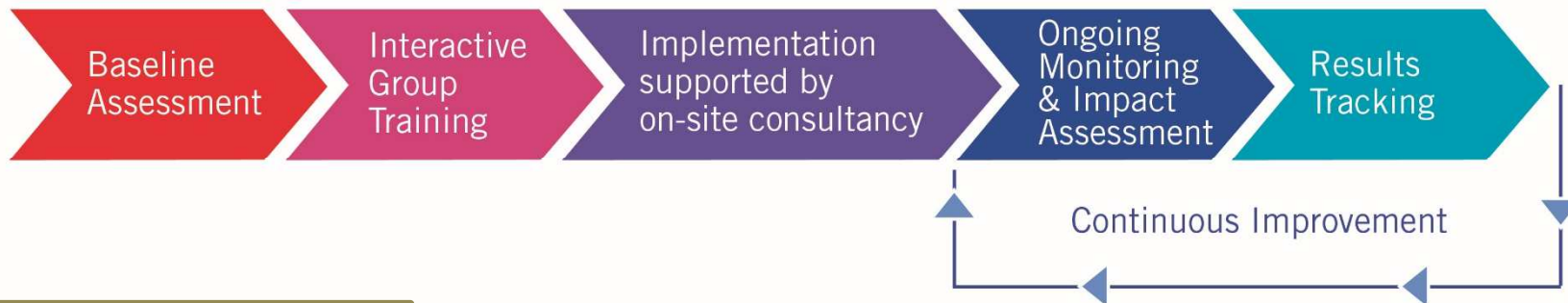


Module 5:
Safety & Health at Work: A Platform for productivity





Training Process



Popup@OIT





Implementing SCORE

- Agencies that have taken up the SCORE program include
 - Ministries of Labour & Employment,
 - Ministry of Industry, MSME Departments,
 - Employers' Organisations,
 - Workers' Organisations
- SCORE training provided by various institutions





Presence

SCORE global
Geneva

Peru
•Agroprocessing
•Manufacturing

Colombia
•Textile
•Flowers

Bolivia
•Manufacturing

Ghana
•Manufacturing

South Africa
•Ecotourism lodges

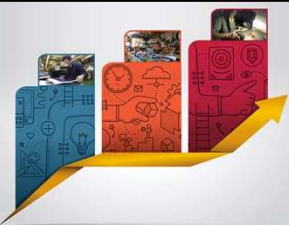
India
•Machine and Auto parts

China
•Garments
•Machine and Autoparts

Vietnam
•Furniture

Indonesia
•Auto parts



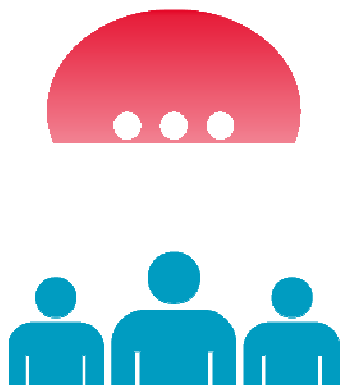


Key SCORE global results



**Productivity
increase 15-50%**

- Cost savings
- Labor turnover
- ▼ Absenteeism
- Accidents
- Worker complaints

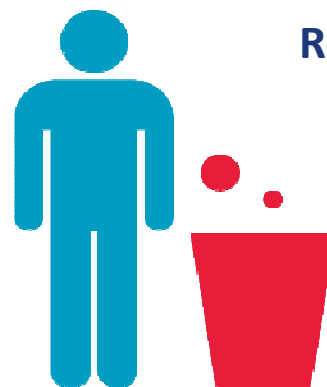


**Improves
workplace
environment
and relations,
Increases
motivation**

Enterprises served:
1,100

Workers trained
8,738 (32% women)

Workers benefitted
250,000



**Reduces delays, defects and
waste**

- Delays
- ▼ Defects
- Waste



Video testimonies

- **General:**

SCORE Global: <https://www.youtube.com/watch?v=K4OumM7ELfs>

Indonesia: <https://www.youtube.com/watch?v=MWd8s6NAP4I>

- **SCORE Workplace Cooperation Module :**

Colombia: <https://www.youtube.com/watch?v=LyKA5NGaBns>

- **SCORE Cleaner Production Module:**

India: <https://www.youtube.com/watch?v=KLZoUsrx97I>

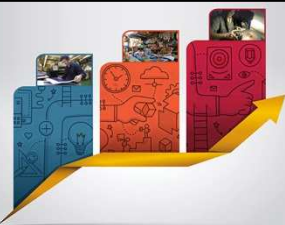
- **SCORE HR Management Module:**

India: <https://www.youtube.com/watch?v=i3D9Kn95pWU>

- **SCORE Health and Safety Module:**

Peru: <https://www.youtube.com/watch?v=p9O8oDIm2zg>





Who benefits?

SMEs

- Increased productivity and quality, as well as healthier, more committed employees
- Improved access to market opportunities – local, national and global

WORKERS

- Less “race to the bottom” and possibly opportunities for more productive and decent work in workplaces that are in compliance with national standards

LOCAL CLUSTERS

- Improved capacity for SME upgrading among local associations and business development service providers
- Joint action between enterprises to address common problems

Indirect benefits to:

TARGET SECTORS

- More competitive suppliers
- Decent employment opportunities safeguarded





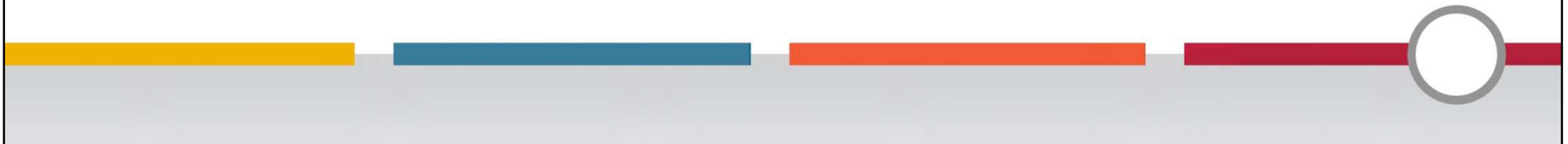
SIYB

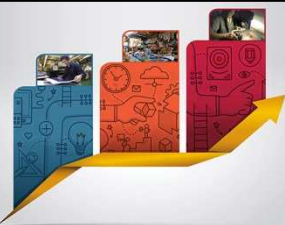


SIYB

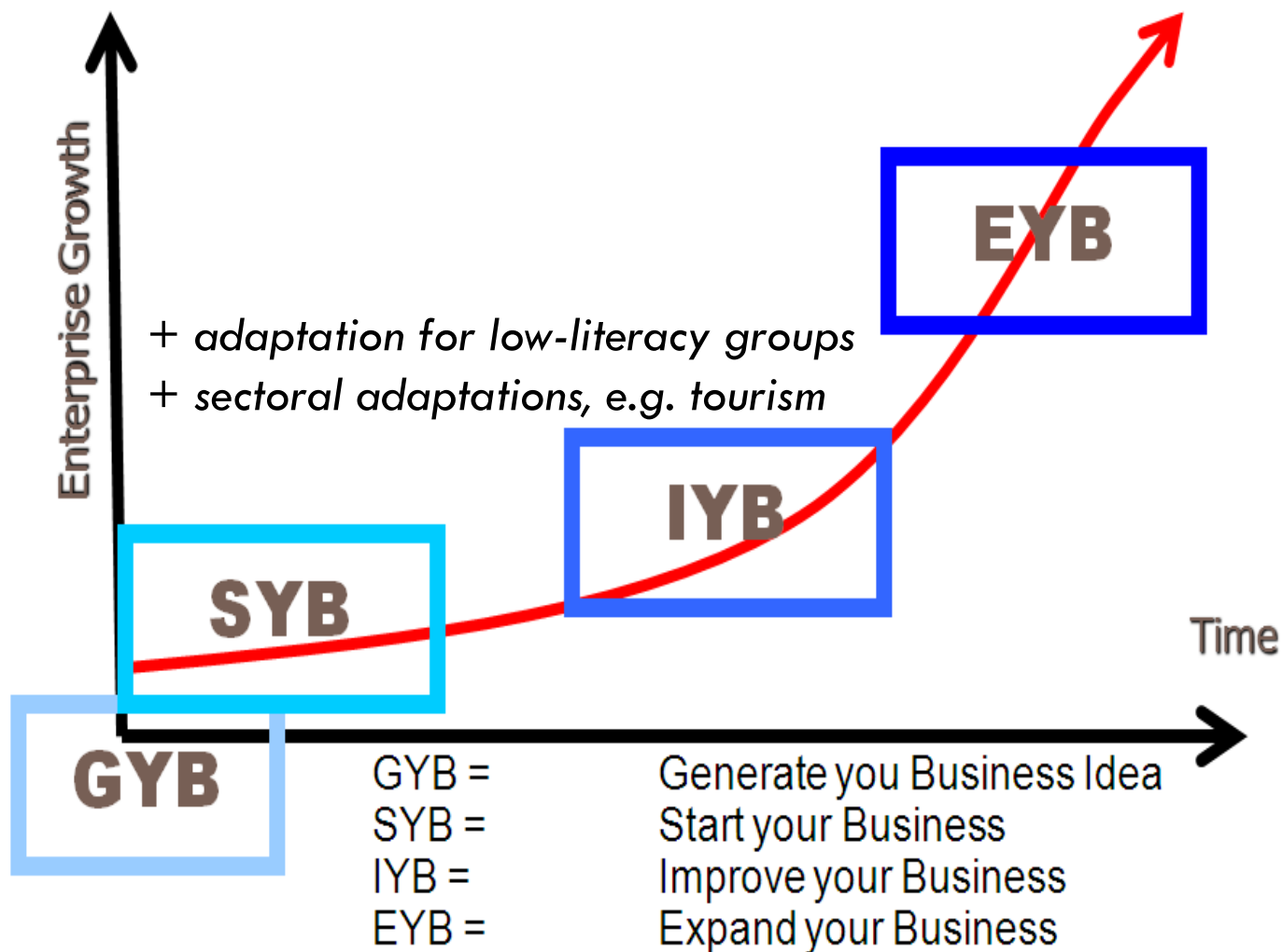
A management-training programme to help entrepreneurs to start and improve micro and small businesses

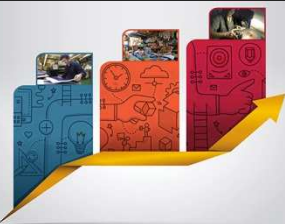
Trains potential and existing entrepreneurs through a set of inter-related training packages and supporting materials for different levels of business maturity.



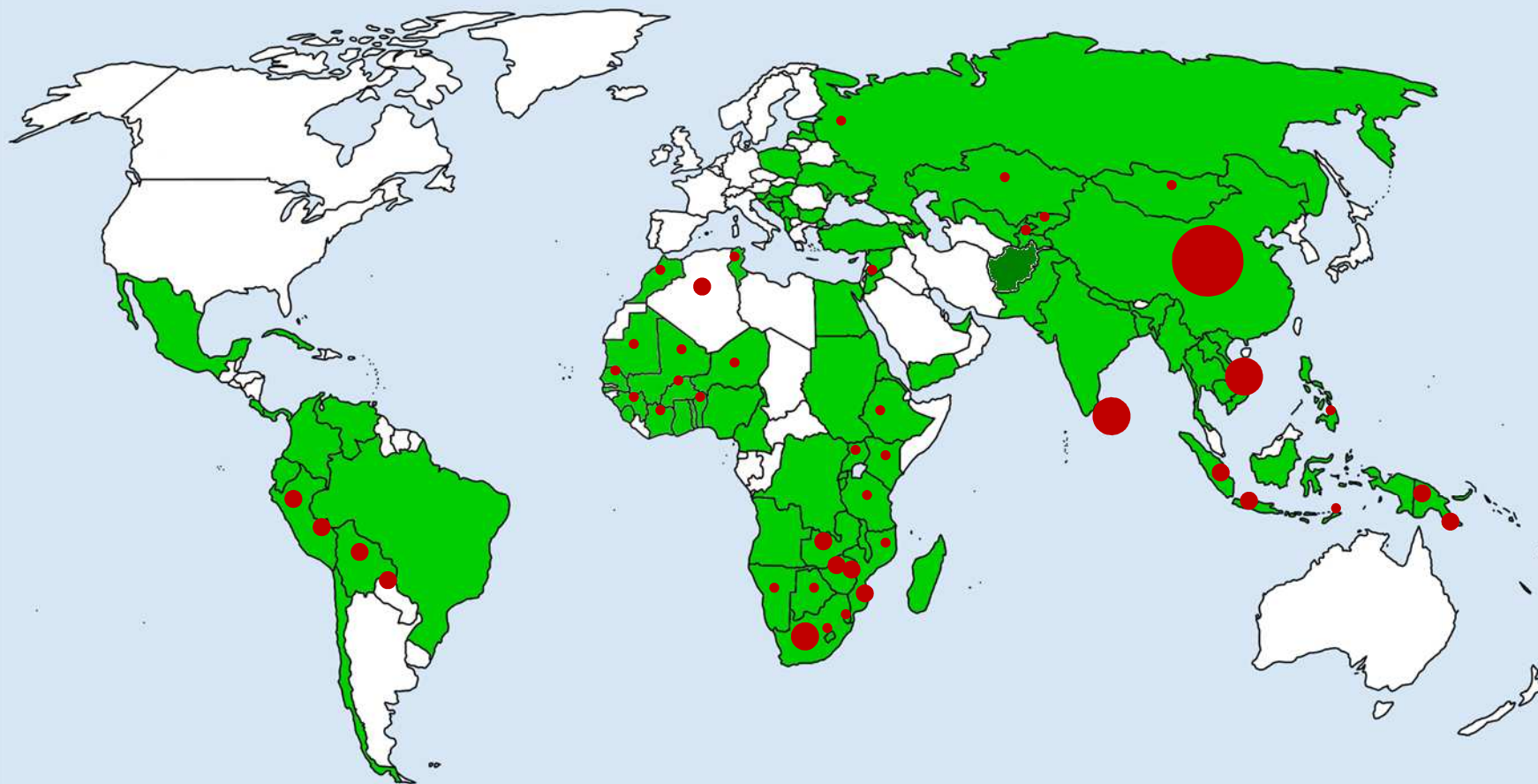


SIYB: The training packages





Presence



■ SIYB has been introduced

• 1-5 Master Trainers

• 6-10 Master Trainers

• 11-20 Master Trainers

• 21-30 Master Trainers

• More than 100 Master Trainers



Examples fo SIYB impact – tracer study findings

Business situation	Impact on start-up	Impact on employment
Not yet in business at time of SIYB training = 1/3 of total trainees	1/3 started	On average 3 jobs per business, including owner/trainee
Total estimated	2/3 did not start	None
	500,000 businesses	1,500,000 jobs
Already in business at time of SIYB = 2/3 of population	None	40% expands business by 1 job
		60% does not expand business
		1,200,000 jobs
Grand total 4,500,000 trainees	500,000 new businesses (including informal and unregistered businesses)	2,700,000 jobs





C B E D

C-BED



C-BED – Community-Based Enterprise Development
SBC – Small Business Competitiveness for Tourism

**Low Cost, Easy to Run Enterprise Training in
Vulnerable and Hard to Reach Communities**

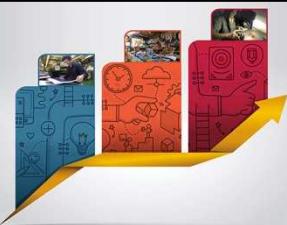


C B E D



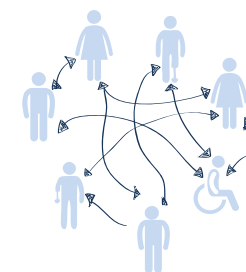
How to sustainably support the most vulnerable who depend on informal and micro businesses?





Community-Based Enterprise Development

- Participation in small groups of 5 -7
- No expert or trainer required
 - Participants both student and teacher
 - Share existing skills, knowledge and experience
- Simple step-by-step instruction manuals
- Introduce basic business concepts
 - Practical tools and techniques focused on reality
- Low-cost and easy to implement
 - Intended for contexts limited funding and capacities





- People with disabilities
- Farmers and rural entrepreneurs
- Domestic workers
- Refugees and asylum seekers
- Migrants (documented and undocumented)
- Sex workers
- Out of school youth
- Prison populations
- Slum communities
- Conflict zones and post-disaster





Deep dive



Activity part 1:

Each participant reads the assigned case study

Then, as group, discuss:

- What productivity constraint/ driver does the intervention address?
- What are the expected outcomes?
- Did the program leverage the link between productivity and working conditions? How?





Part 2

What role could the government and private sector play in scaling up such programs to reach large no. of SMEs in Indonesia ?

Please list 3-5 ideas

