



SAFETY AND HEALTH IN SMALL BUSINESSES – BETWEEN A ROCK AND A HARD PLACE

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Small businesses constitute the backbone of the global economy providing economic growth and employment, yet they are often depicted as a pitiful place with hazardous working conditions and a business on the verge of collapse, but such a picture is neglecting that skilful entrepreneurs on a daily basis are securing jobs and survival of their business. Whereas small businesses are often emphasised for their limited access to resources, it is important to keep in mind that they also have resources – without they would not survive for long. The owner-managers have to be action-oriented and able to navigate in difficult business environments and at the same time secure a stable and committed work force, otherwise collapse of the business will be lurking in the future.

However, there are also good reasons for the opposite picture. Small businesses are often squeezed by stronger market players and they do have limited resources compared to larger companies. Globalisation has provided strong business opportunities for both multinationals and large national firms, but a key element in these opportunities is the ability to squeeze small businesses. Key activities are outsourced to subcontractors who have no power to negotiate reasonable conditions. It happens in almost all sectors. In construction, the general contractor outsources to several layers of subcontractors down to labour-only companies; in logistics, the transport is outsourced to haulage contractors owning a single lorry; in hotels, cleaning, restaurants and the reception desk are out-sourced; in restaurants, franchising chains control the individual owners; and in retail, supermarket chains dominate the individually owned shops.

In meeting these business challenges, owner-managers are hampered by their restricted access to financial resources for both investment and credits. Furthermore, the entrepreneur is often the sole owner and also the manager of the business. He or she needs to take care of all managerial tasks as well as most support activities such as ordering supplies, writing tenders and invoices, accounting, paying salaries, hiring staff, and many owner-managers also participate in the production of goods or services. Management resources are therefore always a restricted resource in a small business.

The consequence of market pressure and limited resources is that owner-managers are often trapped between their wish for a high road strategy with an expanding business and good working conditions and a low road strategy where they – in order just to keep floating – accept almost loss-giving order, extend their own working hours, reduce their personal income and put pressure on their workers in terms of low salaries, precarious employment conditions and a risky work environment.

How to do – not how to find out

Unfortunately, the effect of this trap is well documented.

Workers in small businesses carry a higher risk for accidents and occupational diseases.

They simply have a risk of fatal accidents several times the risk of their colleagues in large companies. There is therefore more than good reason to give a special priority to improvement of the work environment in small business, and even though they face serious business challenges, there are also opportunities.

As already pointed out, owner-managers are skilful and action-oriented people with qualifications necessary to keep their business running and when convinced about taking specific steps to improve the work environment, they simply take action.

They are also social human beings who wish to maintain an identity as decent and respectable persons who treat their workers fairly and secure a safe workplace. Local conditions and culture influence the specific form of the identity but owner-managers generally need as all other people to be accepted by other human beings. In the business context they need acceptance through social relations with stakeholders – customers, workers, peers, neighbours and others. Owner-managers therefore express in interviews that they really want to take action and keep their workplace safe and healthy, but also that they need to know what to do to secure an acceptable safety level. As they do not have the resources to search for knowledge about the work environment, they look around to their peers – what do they do to be acceptable, they listen to request from their workers – but the workers often abstain from raising their voice both from fear of consequences and because they also know the business challenges, and owner-managers look to the requirements from labour inspectors – whom they rarely meet, but take the stories from peers who have been inspected.

While this fundamental approach to safety and health opens for fast action when the owner-managers learn that specific control measures are needed to reach an acceptable level of risk, it also leaves the small business with the standard generally maintained by peers in the specific sector and local area, which most often is far too low to secure safe and healthy workplaces.

Support from society is therefore necessary, and such support must be tailored to the specific needs of small businesses.

In developing a strategy for such support it is necessary to break with the dominating paradigm of risk assessment as the overall key to control of the work environment. The paradigm builds on the sound and rational argument that it is necessary to know the risks to control them in a systematic manner. It fits well to the larger companies which can allocate professional staff to carry out such risk

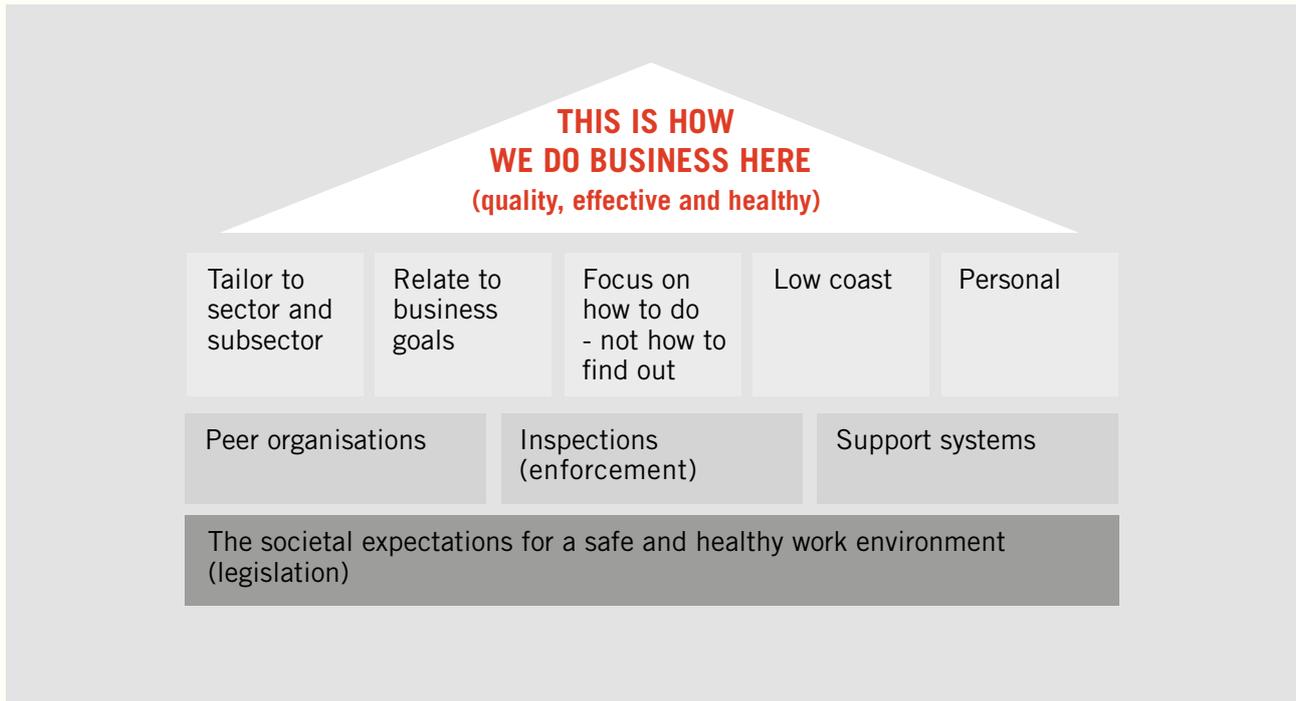
assessment, but in the small business the owner-manager does not have anyone to carry out risk assessment except for him or herself. Their key priority, however, is to fight for survival of the business. In spite of the drive to develop an identity as a decent person, safety and health comes far down the list of priorities, and furthermore the owner-manager does not have the skills to carry out a traditional risk assessment. It is therefore not particularly helpful to prepare risk assessment methods which are just simpler versions of the traditional methods. The small businesses do not think in such a manner, and they will not use even the simple versions of risk assessment. If forced by authorities, they may tick a checklist, but without any consequences for tangible workplace improvements.

Rather than being told how to find out, the small businesses want to know what to do. What tangible measures should they take to keep their workplace safe and healthy?

They need to see peers taking such measures, or they need to be told what to do by inspectors, OHS advisors, equipment suppliers or others in a respectful and relevant manner. Hence, the system needs to be tailored in such a manner that it can provide this specific form for support, tailored to the needs of the small business.

Towards tailored support systems

It is therefore necessary to develop strategies for how to tailor support systems to match the context of small businesses. Such strategies build on a foundation of legislation and actors which have to develop their effort in a particular manner to reach the small businesses. The overall strategy can be illustrated by a house model.



Any society expects workplaces to be safe and healthy, and that expectation is expressed in the national legislation, but legislation needs enforcement to be given priority by citizens as well as business, and so it is with small businesses.

Enforcement by labour inspectors is therefore key to the priority of health and safety, but in most countries small businesses almost never meet a labour inspector. In countries where inspection in small businesses are given priority, owner-managers – in spite of a general resentment towards authorities – react positively to inspectors who do not only tell what is wrong but also how it can be corrected. By doing so, inspection has not only value for the inspected small businesses but a dissemination effect to other workplaces through peer to peer communication.

Peers are an important key to small businesses. Authorities and consultants are often viewed with reservation whereas small businesses have an inclination to trust their peers and they will most often have a small close network of peers with whom they both share experience and business in case where they for instance lack capacity. In some countries small business associations, chambers of commerce or employers' associations provide advice on health and safety to their members.

Small businesses need support to find the right solutions, but it is in general too expensive for small businesses to pay for consultancy services. Most small businesses therefore do not have access to support, but some countries have developed systems which provide valuable advice to small businesses. One example is Sweden where regional work environment representatives visit the small businesses. It is a skilled worker in the specific sector doing the visits – a mechanic in auto repair, a car-penter in construction and a hairdresser in hairdressing. The system is co-funded through collective agreements between employers and unions and the government. Other countries have insurance systems where the compulsory workers' compensation fund visits to workplaces.

It is evident that there is not a single actor or method which can secure a broad impact on the work environment in small business. It is necessary to have an integrated or orchestrated approach using all possible means to reach out to the small businesses. In doing that, the pillars in the house are the clue to design of the systems. They need to be directly tailored to the (sub)sector. General information does not work. The stronger the relation to business goals, the easier it will be for the small businesses to relate to the necessary fight for survival of the business. Solutions need to be low cost and simple to be applied.

Finally and not least – small businesses live from personal social relations. They meet their customers personally – face to face or by phone, owner-manager and workers work together on a daily basis and they listen to advice from trusted persons – their spouse, business partners, accountant, suppliers, key customers and others. It is therefore most likely that they will listen to personal advice for improvement of the work environment than any other type of information. The chance that they will search for written information from anywhere else is in most cases slim. New digital generations - also in small businesses - may have the internet much more integrated in their activities. It opens new possibilities, but with the owner-manager as the only one to take decisions and without any deep knowledge of the work environment, he or she will still need to get advice from someone about what to choose also when it is from the internet.

To conclude: work environment actors – authorities, professionals, advisors, employers and unions have a huge task to improve the support for improvement of health and safety in small businesses. It is possible to be more efficient in reaching out to the small businesses, but much more resources are needed in order to achieve a widespread impact on the huge number of small businesses and the employees working there.
