



## Editorial

## Managing safety in small and medium enterprises

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## ARTICLE INFO

## Keywords:

Small businesses  
Occupational health and safety  
Work environment

## ABSTRACT

This paper presents a conceptual model for increasing acceptable working environments for SMEs. It also acts as an editorial for the special issue of Safety Science on 'Managing safety in small and medium enterprises (SMEs)'. It describes how seven of the ten papers in the special issue originate from an international conference in 2013 on Understanding Small Enterprises. It includes a commentary on the papers in the special issue as well as directing the reader to all of the current state-of-the-science sources known to the authors. The paper provides a background to previous research on safety in SMEs, showing how most current policy and legislation on occupational health and safety (OSH) and the work environment is based on large enterprises and that there is a relative paucity of research on OSH in SMEs. In a summary of current knowledge, it is argued that modern OHS legislation and interventions to help improve work environments need to increasingly take account of the specific characteristics of SMEs. The conceptual model for increasing acceptable working environments for SMEs takes its onset in a legislative standard that is built into intervention programmes and includes three instrument pillars: inspection to enhance compliance, recognition of the standard by the stakeholders in the industry sector and dissemination of information to small enterprises.

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## 1. Introduction

This special issue of Safety Science focuses on 'Managing safety in small and medium enterprises (SMEs)'. This paper, which also acts as an editorial, describes the origins of the special issue and provides a background and summary of current knowledge. It also includes a commentary on the papers in the special issue and an outline of key additional sources of information on 'Managing Safety in SMEs'.

## 2. Origins of this special issue

The special issue is underpinned by an ergonomics/human factors approach ([www.iea.cc](http://www.iea.cc)) that aims to simultaneously enhance both the work environment for people within SMEs and the business performance of SMEs. These dual concepts were originally captured in a conference on Understanding Small Enterprises held in Denmark in 2009 (USE2009), and again in the next conference in

2013 (USE 2013) in New Zealand, organised by the co-guest editors ([www.useconference.com](http://www.useconference.com)). The different foci of the two USE conferences reflect a progression in the study of managing safety in SMEs. The first conference focused on 'understanding the issues (for practice)', whilst the second focused on 'putting understanding into action', with a theme of 'healthy work in a healthy business'. The specific topics addressed in the two conferences can be found on the conference web site: [www.useconference.com](http://www.useconference.com). The progression is particularly reflected in the keynote topic titles, as well as in a wider perspective in the sessions, round table discussions and workshops. The last workshop at USE2013 ('What have we learnt from USE2013?') provided an up-to-date *ad-hoc* yet expert analysis of key current issues and is summarised, in brief, later in the present paper. These themes are reflected in this special issue.

Some of the papers in this special issue have their origins in presentations at USE2013. Others were independent submissions to the journal. As a group of papers, they reflect a mix of academic, research and practitioner contributions. Thus, this special issue reflects a growing interest in the relevance of an ergonomics/human factors and an occupational health and safety (OHS) focus in SMEs. It also exemplifies the integration of academic, research and practitioner foci in addressing the management of safety in SMEs.

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### 3. Background

Most research, policy and legislation on OHS and the work environment has been, and still is, mainly based on large enterprises (usually defined as companies with more than 250 employees). There are many reasons for this, not least that they still employ a high proportion of employees – generally more than a third of the employees nationally (Targoutzidis et al., 2014) – and have the resources to influence, interact and contribute to policy development and research. Thus research on which legislation is built – if it indeed is – is seldom based on research in SMEs (usually defined as businesses with less than 50 employees, but see below), since they do not have the resources (human, time and money) to contribute.

Performance-based regulation or reflexive regulation of OHS was first implemented in some western countries in the 1970s (Robens, 1972). This set out procedural requirements supporting self-regulation in which employers and workers had to formulate and implement health and safety policies and procedures to manage health and safety risks (Bluff et al., 2004; Quinlan et al., 2010; Walters et al., 2011). Since then, the industrial structure in most developed countries has changed dramatically. This has been characterised by larger organisations downsizing and/or outsourcing operations and services, implementing more flexible employment or contractual engagement of contractors – often small enterprises (Quinlan, 1999). This has contributed to an increase in numbers of SMEs. As a consequence of this change – and also on account of changes in technology, the working environment in both large and small enterprises has undergone massive transformations in the past few decades. In many jurisdictions these changes occurred relatively shortly after or alongside the transition to performance-based regulation. Thus, many of the settings upon which the transition was based – and hence current legislation in many countries is also based (such as large organizations standard employment contracts and high union density) have materially eroded (Mayhew and Quinlan, 1999). Nowadays, in most industrialised countries OHS is driven by Acts and associated legislation, regulations and Codes of Practice requiring enterprises to manage health and safety and create healthy and safe workplaces but do not describe how to do so. The consequence of the performance based (self-regulatory) legislation is that businesses are expected to manage risks that arise out of their business activity via internal risk management systems in order to create and maintain a safe and healthy work environment. This is particularly challenging for SMEs.

Over the last 30 years SMEs have received growing recognition as a valid form of economic activity in all parts of the world – with the potential to contribute to economic prosperity as well as social development. These contribute both to the overall economy in a number of measurable ways (employment and gross domestic product) as well as through providing services to the local and regional communities where they are based. In recent decades more attention has been directed at understanding the reasons for the existence of small firms – and understanding how they differ from large firms. SMEs are not simply infantile large firms – they have a distinct and separate role to play in an economy.

Most modern economies are predominately composed of SMEs, which comprise a very high proportion of the total number of enterprises in many countries, employing a large percentage of the workforce. For example in the European Union, micro and small enterprises (1–50 employees) make up 98.7% of all enterprises and employ 50.2% of employees, whereas medium and large businesses (with more than 50 employees) make up only 1.3% of all enterprises but employ 49.8% of the employees (Targoutzidis et al., 2014). The same is true for many small nations. An example from the home country of three of the authors (New Zealand) is typical:

97% of all businesses employ 20 or fewer people (i.e. SMEs) and account for 30% of all employees (Ministry of Business Innovation and Employment 2014), whilst 89% employ five or fewer people and 68% have no employees (i.e. they are run by a single owner-manager or by one or more working proprietors). In this example, SMEs contribute to employment in a significant way, particularly in small towns or rural locations, where they account for 32% of total employment and have a share of about 33% of total national sales and income (Legg et al., 2009). Thus the management of safety and the creation of healthy work systems in SMEs is an important issue for most nations to address, particularly when legislation and regulations are not specifically designed to fit the context of SMEs.

### 4. Summary of current knowledge

To date, research on OSH and the work environment in SMEs has been relatively limited. Much of it has been captured in the aforementioned USE conferences. For example, for a ten year period (2004–14) there were only 162 ‘hits’(articles) for a search on 16 October 2014 for the terms “SME OR “small business” OR “small enterprise” OR “small and medium size enterprise” OR SB” AND “Safety Science” on the database ScienceDirect, but after looking through the titles and abstracts only 35 of the articles were found to address issues specific to SMEs, and only 25 (listed in section 6 of the present paper) were published before this special issue. On average this is only 2.5 research articles per year. Similarly, the EBSCO hosted database Business Source Complete gave only 66 ‘hits’ in a search limited to 2004 – 2014 for the terms (“health and safety” OR OSH OR OHS OR “work environment”) AND (“small business” OR “small enterprise” OR SME).

Despite rather limited research to date, there is growing evidence that those working in SMEs are more frequently exposed to hazardous situations and suffer more work-related injuries and illnesses than those working in large businesses (Clifton, 2000; Micheli and Cagno, 2010; Sørensen et al., 2007; Targoutzidis et al., 2014). There is probably a high level of under-reporting for small businesses. The European commission estimated that 82% of occupational injuries and 90% of fatal accidents happened in SMEs although less than 70% of the workforce was employed in SMEs (Targoutzidis et al., 2014). However the data available for analysing the influence of enterprise size on injuries and illnesses are poor, making ‘analysis-by-size’ difficult. The challenge of establishing the national injury/illness burden contributed by SMEs is even harder, because it is likely that there is more under reporting from smaller enterprises than larger ones. In addition, there is often a focus on injury and fatality, with less emphasis on ill-health and diseases, for which data for SMEs is commonly lacking (Legg et al., 2009).

There is, however, increased research interest in identifying the contribution to injuries and accidents from enterprises having different sizes – an acknowledgement of that size matters in OHS management (Micheli and Cagno, 2010; Sørensen et al., 2007). Micheli and Cagno (2010) argue that it is important not just to look at SMEs in relation to the nature of the accident burden but to divide SMEs into different size categories. They showed that there were differences between OHS performance of micro enterprises (less than 10 employees), small enterprises (between 11 and 50 employees) and medium enterprises (between 51 and 250 employees). The differences were between micro enterprises and the rest for average lost time days due to accidents, with the same pattern for frequency of severe accidents. Their findings emphasise the importance of identifying business size in OHS studies. Unfortunately this can be difficult because data on business size is often not specified, nor easily available. Thus, there is not only a need

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