

Occupational Health and Safety in Small Businesses: Which way forward?

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ABSTRACT

In an attempt to reduce the level of injury and illness in small workplaces, a number of OHS preventative initiatives have been introduced, ranging from sophisticated government sponsored programmes to informal grass-roots advice. However, most of the literature has concentrated on the OHS problems within the small business sector rather than discussing these OHS initiatives. The aim of this paper, therefore, is to draw on two recent studies and examine government-led, educational and advisory OHS initiatives aimed at the small business sector as well as discussing the strengths and weaknesses of each of the initiatives, concluding with the key ingredients necessary for their success.

INTRODUCTION

Research shows that workplace health and safety in small businesses is influenced by a number of factors, such as the lack of competencies and resources (Lamm, 2002). However, there is a fixation in the literature on the burden of compliance and barriers to achieving safe and healthy practices in the small business sector with little mention of the OHS initiatives. In an attempt to move the discourse along, this paper will present the thematic results of two recent studies on government-led, educational and advisory OHS initiatives (Lamm, 2002; Legg, et al 2008). In particular, the paper will examine the strengths and weaknesses of the OHS initiatives and adds that implementing OHS initiatives in the small business sector is complex. The paper concludes that there the key ingredients necessary for the success of OHS initiatives.

However, before we commence outlining the OHS characteristics of the small businesses and discussing OHS initiatives, it is necessary to define what is meant by “a small business”. Applying the Australian and New Zealand Standard Industry Classification (1993) “small manufacturing businesses” are defined as having fewer than 100 employees, “small non-manufacturing business” are defined as having fewer than 20 employees and “micro” small businesses are defined as employing less than 5 people.

CHARACTERISTICS OF SMALL BUSINESSES

The literature identifies certain key factors that influence the way in which OHS is practised and the level of compliance with OHS regulations. These factors can be grouped around management, employment, and compliance practices, each of which represents the functions of operating a small business. Managing OHS in a small business is more than identifying and reducing hazards. For the employer, it is about obtaining and managing resources, having the relevant training and industry experience and the ability to make strategic decisions regarding improvements to production and systems; for example, the decision to apply new technology or introduce a quality management system. Given the constricted nature of small business management, it is impossible to separate the access to resources and providing a healthy and safe workplace. In a regulatory environment, which is seen as perplexing and costly, the ability to comply is, in the first instance, reliant on the availability of resources. This applies, also, to the link between the employer's level of skills, training and experience, and OHS compliance and practice. The axiom that the lack of the former creates deficiencies in the latter was evident in the case study data (Lamm, 2002; Legg, et al, 2008).

The other important function of running a small business is *employment relations*. Employment practices found in small businesses are distinct from those in large organisations in that there is a propensity to employ family and friends as well as implement practices that foster precarious employment, including employing temporary or casual workers, women workers and illegal migrant workers. Both strategies are based on the desire to lessen the financial impact of employment regulations, including OHS. Although there are cases where women in small businesses are exploited, women can also wield tremendous influence over the running of the small business. The role they play in achieving and maintaining good health and safety practices and compliance with OHS regulations in small businesses is seldom considered by regulators, practitioners and researchers.

Operating a small business also requires a good knowledge of the pertinent laws. However, it is well documented that small businesses have a low level of *compliance* for three broad reasons: economic, dissident, and incompetency reasons (see Lamm, 2002). Non-compliance for *economic reasons* is motivated entirely by profit seeking to the detriment of the employees' health and safety. If the probability of being caught is small and the anticipated fine is negligible, it is almost certain that the OHS law will be disobeyed. On the other hand, non-compliance based on an expressive (rather than instrumental) *dissidence* against the OHS laws or enforcement occurs when the laws or their enforcement are perceived to be illegitimate. The employer in this instance will adopt a strategy of selective non-compliance when regulations impose unreasonable burdens and/or OHS enforcement agents treat them arbitrarily. *Incompetence*, however, occurs when the small business employer is either unaware of the OHS regulations or is unable to understand his or her obligations or implement the legal requirements.

OHS INITIATIVES FOR SMALL BUSINESSES

Developing and implementing OHS initiatives for the small business sector is difficult as the sector is heterogeneous, geographically scattered and generally lacks the resources (i.e. time, finance and staff) to implement and sustain the initiatives. Small businesses are also hard to reach and difficult to motivate if the programme has few extrinsic benefits (Legg, et al, 2008). There are limited avenues of communication within this diverse and widely scattered sector as the level of small business participation in business and trade associations is low. In addition, the small business sector has a notoriously low level of trade union representation, compounded by the fact that a number of jurisdictions exempt small businesses from electing trade union supported health and safety representatives and forming health and safety committees.

Government-led Initiatives

In the past decade government agencies have increased their focus on OHS in the small business sector. These OHS initiatives range from reduced levies, for example ACC's Workplace Safety Discount Scheme, to providing centralised advice. There have also been a number of comprehensive safety programmes, involving industry and/or community groups, for example FarmSafe and FishSafe. However, there have been a number of problems with government-led initiatives. First, there have been few rigorous evaluations conducted. While anecdotally a handful of evaluations have been completed on specific OHS programmes and interventions, to date very few are publically available and even fewer are available from the agencies concerned. Second, although there a lack of data, the focus of these initiatives is often on injury and illness reduction rather than on the uptake of small business. Finally, the information on these initiatives is gathered, assembled and controlled by those with a vested interest in success of the initiatives.

Education Initiatives

The orthodoxy is that a workforce that is well-informed in OSH is crucial in reducing the number of occupational injuries and illnesses. There are a number of examples of OHS educational/training initiatives: specialised OHS courses or part of an apprenticeship scheme; and basic safety training as part of an induction course. Also courses can be delivered by educators/trainers or can be self-administered. However, providing OHS training and education to those operating in the small business sector is problematic for the following reasons: lack of awareness, knowledge, training and experience; lack of resources (time, finance, etc.); perception that education and specialised training is of little value; difficult to get long-term commitment from small businesses; the smallness of the business and there is often a lack of economic incentive for either the ITO or small business. Moreover, there are problems associated with the educational initiatives, for example, there is a question of inconsistent and patchy quality, with the educators having little or no content knowledge of OHS.

Advisory Initiatives

Recently, there has been recognition amongst academics and public servants that there can be useful interrelationships between the small business sector, the government authorities and intermediaries. More precisely, there appears to be a *symbiotic* relationship between the intermediary & the small business. These sets of interrelationships play a pivotal role in OHS and have the potential to shape the activities of each of the players. The OHS intermediary fulfil three major roles: 1) to assist the small business owner to create a healthy and safe working environment; 2) to liaise between the regulatory agencies and their small business clients; and 3) to act as an independent advisor for both the regulatory agency and the small business owner and/or employee. The scope of intermediaries can vary from accountants to trade union delegates.

Key Success Factors for OHS Interventions

Findings from studies (Lamm, 2002; Legg, et al 2008) indicate that grassroots, community commitment or “buy-in” is essential for the OHS initiative to have an impact on the target group. Another valuable tool is the use of respected mentors who are typically the stalwarts of the industry and who have had years of experience as well as a knowledge and commitment to OHS. However, establishing a mentoring scheme is resource intensive and only works well where the management style is command-and-control and where the workforce is mainly mobile. Having a succession plan is the other essential ingredient as unless there is a plan of succession to replace key people, it is likely that the OHS initiative will stall.

CONCLUSIONS

In this paper an effort has been made to move the discussion along from what *can be done* to what *is being done* to reduce the level of occupational injury and illness in the small business sector. This transformation has been able to occur as a result of the substantial increase in our knowledge of OHS in small businesses over the past decade. There has also been an attempt in the paper to explore the various OHS initiatives centred round government-led, education, and advisory initiatives. Although these initiatives have been in place for many years, within each of the initiatives there are a number of drawbacks and issues that require consideration. Finally, OHS initiatives applied to the small business sector are meaningless unless they incorporate a network of multiple factors and special attention is given to the unique characteristics of the small business sector.

References

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Biography for Felicity Lamm

Dr Felicity Lamm is an Associate Professor at the Auckland University Technology. She has been teaching and researching in the area of employment relations and occupational health and safety (OHS) for the past 20 years. She has written extensively on these subjects, including compiling research reports for New Zealand and overseas public and private sector organisations in areas such as regulating and complying with employment and OHS law, employment relations in the small business sector, aviation and farm safety, work-related stress, and OHS interventions. Other research activities include recently establishing a multidisciplinary OHS research centre.

Dr Lamm is also co-editor of the New Zealand Journal of Employment Relations and is on the editorial board of the Journal of Industrial Relations and the Journal of Safety Science. She is past-president of the Small Enterprise Association of Australia and New Zealand and the Australian and New Zealand Occupational Health and Safety Research Association. She has been a committee member of the International Commission on Occupational Health and Safety and the Institute of Occupational Health & Safety (UK). She has also been invited to present keynote addresses on her research at national and international conferences.