

# CONSIDERATIONS FOR THE IMPLEMENTATION OF THE MANAGEMENT SYSTEMS IN SMALL AND MEDIUM SIZED ENTERPRISES

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## ABSTRACT

*The workplace accidents and occupational diseases involve an unexpected number of "actors" and raise costs for the businesses, for other companies and for the whole society. Statistics show an alarming situation: in the SMEs are recorded most of the workplace accidents. Furthermore, the survival of the SMEs on the European common market is no longer a certainty in the absence of modern tools of quality, environmental and OSH management. In the lack of financial, human and material resources, and knowledge (know how) that substantially affect SMEs, they will abandon the concerns for the improving of the working conditions, to increase quality or to protect the environment. To support the SMEs approach on the mentioned issues, they must be ready with flexible, easy to apply and effective tools. In this paper it is proposed to SMEs the implementation of such systems that include elements on the joint management of OSH, environment and quality.*

**KEYWORDS:** *management, workplace accident, health and safety at work, small and medium sized enterprises, prevention, management system*

The general policy of enterprises, especially of the small and medium sized enterprises (SMEs), can not unilaterally based on economic parameters, passing over the issues concerning the life protection, health and safety of workers. Therefore, in line with European requirements stated in the *Community Strategy 2007-2012 on health and safety at work*, achieving OSH must become part of the social role and conduct of all enterprises, regardless of activity or size.

In 2000, for the EU 15, the estimated costs of workplace accidents amounted to about 55 billion euros. Of these costs, 88% were due to loss of working time. The European statistics highlights that SMEs are particularly exposed to these phenomena, recording about 82% of all occupational injuries and 90% of fatal accidents.

In Romania the number of workplace accidents recorded in SMEs is approximately 50% of the total (Figure 1).

In the context of increasing of the employer's duties under Law nr.319/2006 and methodological Norms for its application approved by Government Decision nr.1425/2006, the employer shall take all necessary measures to ensure the health and safety of workers. However, the issue of risk prevention at work belongs not only to the company, to the employer, to the preventive and protection services but also to workers and their representatives; it must be equally, a concern of all participants in the process of work.

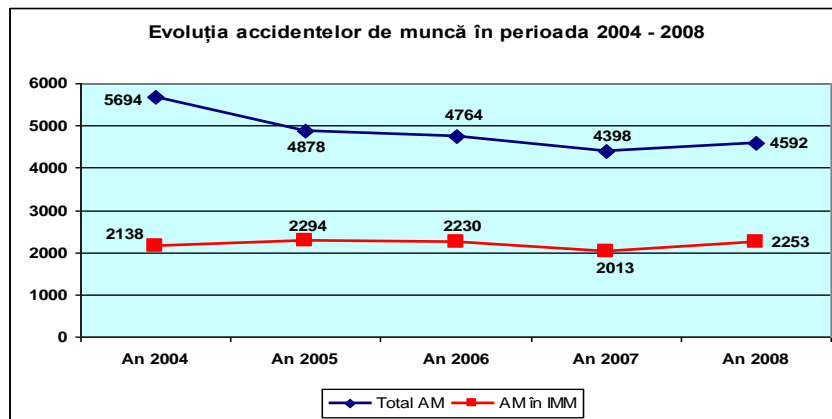


Figure 1

Any disturbance of the work system can determine exposure of workers to risk factors (hazards) that may cause injuries or occupational diseases, with negative repercussions throughout the company, which stated: sick leaves, costs of replacing injured staff, early retirement on because of illness, loss of production and working time, damage of working equipment, materials, products, increased insurance premiums etc.

It is very difficult to assess in financial terms the physical pain or distress. However, if we intend to make an economic assessment of the consequences of an accident at work we will notice that, beyond the suffering, there are a number of measurable economic consequences and, often, they have significant value.

The workplace accidents affect, in many ways, an unexpected number of "actors" and raise costs both for own company and other companies, for others and for society as a whole. In Figure 2, adapted from Krüger (1997), there are the affected parties by the cost due to the workplace accidents.

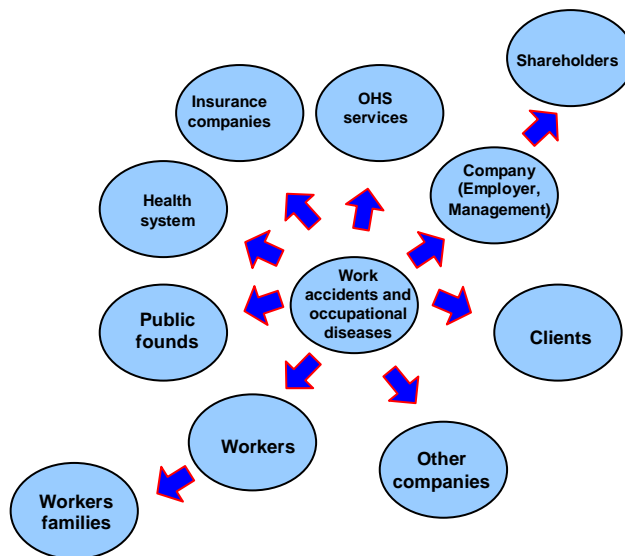


Figure 2

One of the objectives of the European harmonization is to approximate the levels of industrial development of member States and thus the convergence of the safety levels of the workplaces. Beyond the humanitarian aspects, the aim of this convergence is to avoid a situation of "social dumping", whereby some countries offer low health and safety at work conditions and lower production costs compared to those in which the work is safe and healthy, but which means higher costs.

The achieving of the European aim of ensuring a safe and healthy working environment for all workers, impose an appropriate focus on the particularities and needs of SMEs, given the important phenomenon of accidents at work which is recorded in these enterprises.

To support the SMEs approach in quality, environment, health and safety at work, they must be ready with flexible, easy to apply and effective tools. We consider that there is a need to develop such a system aimed at covering the joint issues of OSH, environment and quality management.

To substantiate the need for a comprehensive system of OSH management, it was realized a SMEs' research aimed at determining the current state of OSH in these types of businesses in Romania. To realize this evaluation was used the statistical method using a questionnaire, and seeking to obtain a true picture of the current situation. Previously studied literature is poor in providing detailed specific information or researches in the area of interest.

The analysis of information obtained from a total of 243 questionnaires applied in enterprises reflects a wide range of OHS issues that, at the SMEs level, are not solved.

SMEs have significant gaps in the organization of OHS activities at the workplaces. The workers are exposed to high risks similar to those of large companies, without this to generate adequate responses from employers.

On the other hand is highlighted a real problem for managers of SMEs to access the necessary OSH information and especially to understand and apply the legal requirements. In the lack of the financial, human and material resources, and knowledge (know how) may appear large gaps in the prevention of occupational risks in the SME. The situation is reflected in the graphs of Figure 3 and Figure 4 that capture the awareness degree of the employers concerning the legal provisions in the OSH field.

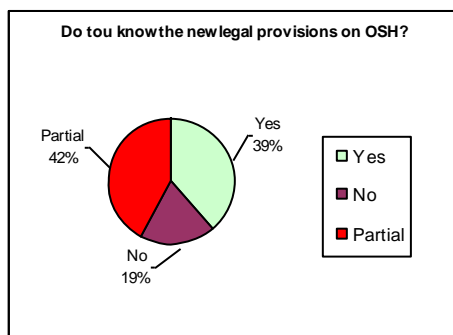


Figure 3

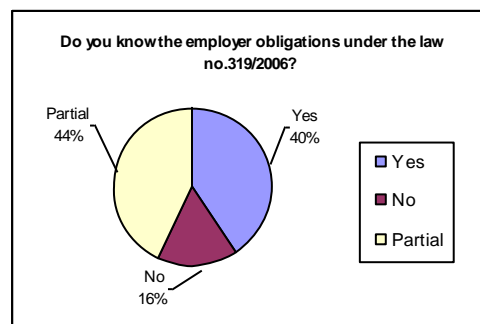


Figure 4

A survey conducted in 2000 at the level of some countries from EU-15 indicates an alarming situation regarding the safety and health in SMEs. Thus, in Germany approximately 50% of the total number of SMEs has no OSH organizational structure (designated worker/prevention and protection service), in Finland the percentage was 44%

and 24% in Spain. The situation is even more serious if we consider that the provisions of *Framework Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers* were transposed into their legislation long before 2000.

The situation in Romania, two years after the transposition of the Framework Directive into the *Law nr.319/2006 on health and safety at work* seems relatively better than that of member States. The analysis of the result of the questionnaire on OHS issues, applied by the authors of this paper, shows that a percentage of 13.2% of the total number of SMEs have no organizational structure OSH.

It is clear that in many cases there is a huge difference between what lawmakers claim and what the employers understand to apply. Although provided by law the requirement of knowledge and application of OSH regulations, there are no appropriate tools and methods to do that they are well known and correctly implemented.

Unfortunately, like in the small enterprises from EU-15 in Romania we can find the same situation that major financial constraints and lack of trained personnel in the OHS field generates an attitude more refractory regarding the requirements of the OSH legislation, considered as an additional bureaucratic effort.

It is well known that on the competitive markets, "the card" of an enterprise is complemented by the implementation of the quality management system, the environment management system and, not least, the health and safety at work system.

For the SMEs becomes obvious the need for streamlining efforts and for optimizing of human, material and financial resources allocated for this purpose, avoiding repetitions, reducing the efforts and costs and simplifying as much as possible the management of the three systems. To these considerations it must be added the fact that reference standards on the implementation of the management systems include similar requirements to a large extent, and the methodology for achieving them is practically the same.

Therefore, there is a need to develop and implement the management systems in the SMEs which can support the specific activities in the fields of quality management, environment, health and safety at work.

Among the requirements which should satisfy those systems dedicated to SMEs, in order to address a common health and safety, environment and quality management, could be mentioned:

- to implement, maintain and continuously improve management systems;
- to ensure compliance with its declared policy for OSH, environmental and quality fields;
- to demonstrate to third parties the compliance with its policy on OHS, environmental and quality fields;
- to obtain certification for its management systems from a recognized body.

Considering the fact that SMEs have limited resources on one hand, but on the other hand many potential areas of improvement, their management must prioritize the implementation of an integrated management system and must support this by all means.

To successfully implement such a system with a common approach of OHS, environment and quality management are considered very important the following issues:

- the support, involvement and engagement of the company management;
- the overall vision of the company (the declared values);
- the participatory approach to processes.

In order to develop an integrated management system for SMEs will be taking into account the similarity of the standards of OHS, environmental and quality fields. A comparison between the main chapters of the standards OHSAS 18001, ISO 14001 and ISO 9001 is presented in Table 1.

Table 1

|  | <b>OHSAS<br/>18001</b> | <b>ISO<br/>14001</b> | <b>ISO 9001</b>  |
|--|------------------------|----------------------|--|
| GENERAL REQUIREMENTS   | 4.1.                   | 4.1.                 | 4.1.   |
| THE POLICY OF THE SISTEM   | 4.2.                   | 4.2.                 | 5.3.   |
| PLANIFICATION  | 4.3.                   |                      |  |
| Plan to identify, assess and control                                       | 4.3.1.                 | 4.3.1.               | 5.2., 7.2.1., 7.2.2.   |
| Legal provisions and other requirements                                    | 4.3.2.                 | 4.3.2.               | 5.2., 7.2.1., 7.2.2.   |
| Objectives   | 4.3.3.                 | 4.3.3.               | 5.4.1.   |
| Management programs  | 4.3.4.                 |                      |  |
| DEVELOPMENT AND ACTIVITIES<br>(or operation)                               | 4.4.                   |                      |  |
| Structure and responsibilities   | 4.4.1.                 | 4.4.1.               | 5.5.1., 5.5.2., 6, 6.1., 6.2.,<br>6.3., 6.4.                               |
| Skills, training and awareness   | 4.4.2.                 |                      |  |
| Consultation and communication   | 4.4.3.                 | 4.4.3.               | 5.5.3, 7.2.3.  |
| Documentation  | 4.4.4.                 | 4.4.4.               | 4.2.   |
| Data control and documentation   | 4.4.5.                 | 4.4.5.               | 4.2.3.   |
| Activities control (operational)   | 4.4.6.                 | 4.4.6.               | 7.1., 7.2., 7.3., 7.4., 7.5.,<br>7.5.1., 7.5.2., 7.5.3., 7.5.4.,<br>7.5.5. |
| Prevention and response to emergencies                                     | 4.4.7.                 | 4.4.7.               | -  |
| VERIFICATION AND CORRECTIVE<br>ACTION                                      | 4.5.                   |                      |  |
| Measures control and follow-up   | 4.5.1.                 | 4.5.1.               | 7.6., 8.1., 8.2.1., 8.2.3.   |
| Accidents, incidents, nonconformities,<br>corrective and preventive action | 4.5.2.                 | 4.5.3.               | 8.3., 8.5.2., 8.5.3.   |
| Records and records management   | 4.5.3.                 | 4.5.4.               | 4.2.4.   |
| Audit  | 4.5.4.                 | 4.5.5.               | 8.2.2.   |
| REVIEW   | 4.6.                   | 4.6.                 | 5.6.   |

The design of such a system should consider both the requirements of legal provisions and of the standards on the health and safety at work, environmental protection and quality.

Thus, an integrated management system dedicated to the SMEs will enable achievement of the following actions:

- the integration of the policies of the three systems of management in a single policy;
- the integration into a single document (manual), with guidelines for action, of the documentation for the three management systems;
- the definition of the responsibilities and duties of the staff responsible for the system management;
- the integration of the management of organizational processes that are common to all three systems, and of the related documentation;

- develop a scheme of processes including, for the three management systems, the strategic and management processes, the operational and support processes, and the inclusion of interrelationship between them;
- the definition and the management of the processes, especially concerning the establishment of the responsables, the input and output elements of the processes, the instructions for the requirements of the systems, the training and planning, the processes oriented to customers requirements, the purchasing, production and services, the maintenance etc.;
- the review and improvement of the processes taking into account the requirements of each system (review by management, communication, information, participation, production processes and critical processes for SSM, environmental or quality, etc.);
- the setting of the objectives and integrated indicators;
- include the client suppliers and other stakeholder's opinion concerning the development of the processes.

The construction of such systems that include elements on joint OSH, environment and quality management must be made in order to supply with flexible, easy to apply and effective tools for SMEs. The financial constraints that SMEs could lay down to avoid the implementation of an integrated management system must be reduced by highlighting the positive impact caused by its implementation.

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