

STUDY ON CHALLENGES AND MOTIVATIONS OF SME BUSINESS LEADERS IN LEADING WORKPLACE SAFETY AND HEALTH

Background

Today, 99% of businesses in Singapore are small-and medium-sized enterprises (SMEs), employing seven out of every 10 workers. They also contribute to nearly half of Singapore's gross domestic product (GDP)¹.

2 Business leaders play a key role in influencing workplace safety and health (WSH) in their companies. Their leadership is fundamental in promoting and sustaining a safe and healthy workplace for their employees. In 2013, the WSH Institute conducted a study on SME business leaders to understand their motivations and challenges in adopting and improving safety and health standards in their companies, as well as how they demonstrate their leadership in WSH.

Scope of the study

3 123 SME business leaders, (company owners, CEOs and managing directors) were randomly selected to participate in a telephone survey. 67% of the participants were from the high-risk sectors of Construction, Manufacturing and Marine while the remaining were from the Services, Trading, Retail, IT, Design and Education sectors. 87% were micro and small companies with 50 employees or less and the remaining were medium-sized companies with 51 to 200 employees.

Key findings and observations from the study

4 The study found that one in three SME business leaders were unaware of the WSH risks in their own companies, and therefore lacked the motivation to take action to improve WSH practices. The study also showed that 63% of the business leaders had insufficient expertise in WSH and 59% felt that it is costly to implement them. Table 1 highlights the challenges faced by SMEs when implementing WSH practices and procedures in their companies.

¹ SPRING Singapore. (2014, April 8). *Performance Indicators*. Retrieved January 20, 2015, <http://www.spring.gov.sg/aboutus/pi/pages/performance-indicators.aspx>



Table 1: Barriers to WSH

5 However, despite their challenges, majority of SME business leaders were motivated to improve WSH to ensure that their employees are safe and healthy (73%), and understood that workplace accidents are costly to their businesses (68%). Table 2 shows other factors that motivate SME business leaders to improve WSH outcomes in their companies.



Table 2: Motivations for WSH

6 The study found that SME business leaders were more likely to demonstrate their WSH leadership through active participation on-the-ground, such as regular inspections (77%) and personally communicating with workers on WSH matters (79%). This is likely due to the small size and tight knit nature of SMEs. In contrast, they were less likely to engage in strategic actions such as developing WSH policy and setting WSH performance targets for their companies.