Human factors exploration of occupational health and safety consultancy within SMEs

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SUMMARY

The paper summarises a study about the work of occupational health and safety consultants (OHSCs) with SMEs (Small and Medium Enterprises). The aim was to identify the factors influencing the effectiveness of their assignments and the practical actions that can increase the chances of success. The results led to the development of a workflow model for OHSC interventions, categorizing the aspects that require emphasis at different stages to increase the chances of a successful outcome.

KEYWORDS

Professional relationships, improving business, communication, consultancy

Introduction

Most countries rely on SMEs (defined as organizations employing less than 250 workers) growth to provide economic stimulus. In the UK between 2010 and 2020, the number of SMEs increased by 30.9%, the number of people employed in SMEs increased by 14.9% and the turnover of SME's increased by 45.7%. This contrasts with large companies, where the numbers increased by 23.9%, numbers employed by 5.5% and turnover by 19.4%.

However, there is evidence that SMEs are not as effective as large companies at managing occupational health and safety (OHS), which, considering these trends, is a concern. There is evidence that SMEs have higher accident rates - it is estimated that 90% of fatalities and 82% of all occupational injuries in the European Union (EU) occur in SMEs (*Occupational safety and health and economic performance in small and medium-sized enterprises : a review.*, 2009).

Common barriers to improving OHS performance in SMEs have identified through research as

- Lack of financial resources – most SMEs are focused on survival, which requires high productivity and flexibility. They do not recognize that using their limited resources to improve OHS standards will contribute to that; in fact, they are more likely to perceive OHS as an obstacle to achieving their core objectives.
- Lack of human resources - SMEs do not have the economies of scale to justify employing specialist expertise directly (James et al., 2004) and frequently the owner/manager takes on a variety of roles in addition to managing the day-to-day operation, including accounting, client communications and human resources. This leaves limited time to develop and implement a strategy for improving OHS (Hagqvist *et al.*, 2020)
- OHS leadership – although research indicates that many SME owner/mangers recognize that they are legally accountable for OHS, there is an element of "risk shifting" towards employees supported by all workers in the organization – many of whom regard OHS as "common sense" (ECOTEC Ltd, 2005). Moreover, due to their emphasis on achieving operational goals, many owner/managers, either verbally or non-verbally, encourage the prioritization of productivity over OHS (G. Garnica and Barriga, 2018)

- Legal framework – the reflexive format of OHS legislation places the burden of controlling and managing any risk on those responsible for creating it, but can cause difficulties in interpretation, either in terms of the standards that have to be met or which pieces of legislation is relevant to an organization. In January 2024, Great Britain's (GB's) Health and Safety Executive (HSE) website listed 14 pieces of primary legislation, 109 OHS statutory instruments and 54 "publications to help you interpret the law" (*HSE website*).

In contrast, papers have identified advantages that SMEs have over larger organisations in the management of OHS, including:

- Organizational structure –SMEs are inherently more adaptable and flexible, which partially accounts for their competitive advantage over larger organisations and allows them to react more quickly to hazardous situations and communicate about OHS issues more effectively (Hagqvist *et al.*, 2020)
- Less hierarchical organization – this encourages the cultivation of personal relationships between colleagues, increasing the moral and financial pressure on owner/managers to "look after" their employees (the temporary loss of a skillful and competent employee has a significant effect if they comprise a significant proportion of your workforce). It also increases the likelihood that behavioral changes associated with mental health issues will be spotted earlier, with the corresponding opportunity to provide support (Boustras *et al.*, 2015)
- Stakeholder influence – although many SMEs may not see this as an advantage, the need to meet the standards of a stakeholder (such as a customer or insurer) forces them to provide evidence of health and safety processes and procedures (L O'Connell, H Firth, 2001)

Various "stick and carrot" approaches have been implemented to support SMEs to improve their OHS performance and legal compliance. An example of the stick is the enforcement inspections by the HSE. Originally initiated as a means to encourage legal compliance, the visits are often treated with suspicion and perceived as a means of "catching people out." This concern increased when the fees for intervention (FFI) system was introduced, allowing HSE Inspectors to raise a Notification of Contravention if they identified a material breach in legislation, and to charge organisations while they supervise corrective action.

Examples of the "carrot" include the provision of advisory information, such as website pages, electronic tools, paper leaflets) produced by the HSE and trade bodies; but evaluation suggests, because it is a passive process and necessitates SMEs to seek it out, which many of them are not motivated to do (Bogna et al., 2018; ECOTEC Ltd, 2005; Walters, 2006), it has a limited effect. Moreover, the feedback from SMEs who do access the material is that they find it too generic.

Another intervention that has been trialed is the use of non-OHS intermediaries who are already working with SMEs. They are provided with OHS training so they can raise awareness during their routine interactions with the organization. Evidence indicates this method is successful initially because it gains impetus from the goodwill and trust in the existing relationship, but most have not been successful long term (Blackburn, 2014; Olsen and Hasle, 2015; Hasle and Refslund, 2018).

One significant barrier to instigating OHS interventions in SMEs is that they are not a heterogeneous group; they are not single entity whose problems can be tackled with one-size-fits-all solution. SMEs work across a huge variety of industrial and service sectors, have significantly different organizational structures and numbers of employees and are dealing with a variety of OHS risks (Micheli and Cagno, 2010; Masi and Cagno, 2015; Burgess-Limerick, 2018; Højberg *et al.*, 2018).

As a result, some SMEs choose (or are forced by circumstances) to employ an OHSC. Although this incurs cost, at least (because of the contractual nature of the relationship) the cost can be budgeted and curtailed relatively quickly if necessary. It gives the SME direct access to technical OHS advice focused on the context of their organization. Evidence suggests that business for organizations providing health and safety support is booming – in 2010, the Better Regulation Executive (BRE) stated it was one of the fastest growing areas of business within the UK (*Taylor, 2010*). The demand for OHS support is also reflected in the increase in fees charged – Institution of Occupational Health and Safety (IOSH) salary surveys show that the minimum daily rate charged by OHSCs rose by 40% (from £250 to £350) between 2009 and 2012 (IOSH, 2009, 2012).

However, a series of GB-based reports issued between 2004-2010 were extremely critical of the OHSC industry, suggesting the quality of support was poor, that many OHSCs were not technically competent and provided generic, voluminous, over-complicated reports (James *et al.*, 2004; Walker and Tait, 2004; O'Hara, Dickety and Weyman, 2005; Terry C Lansdown, Deighan and Brotherton, 2007). They also suggested that their approach to risk control was not pragmatic, either because they feared the potential reputation damage should an incident occur following their intervention or because highlighting the need for further action could generate more business (Government, 2010; Taylor, 2010; Almond and Esbester, 2019).

The aim of this study was to gather testimony from OHSCs about their work with SMEs – specifically examples of successful or less successful interventions – and also, based on their experience, how OHSCs can work effectively with SMEs.

Method

Twenty-five OHSCs were interviewed over Microsoft Teams on a semi-structured basis about their background, their experience of working in OHS and then specifically about assignments they had completed with SMEs, with particular focus on their perception of whether they had been successful and why.

Participants were principally recruited by email on a convenience basis from the personal contacts of the researcher and the research supervisors. Analysis of the sample demographic revealed the majority of participants were male (68%), over the age of 44 (80%), had worked in the area of health and safety for more than five years (68%) and 60% had attained the minimum of chartered status membership of their professional organization.

The anonymized scripts were coded using NVivo using a priori themes, which were then developed into parent and child codes to analyze trends in the output.

Findings

Analysis of the interviews identified a number of factors that could positively or negatively influence the outcome of OHSC assignments in SMEs.

Factors associated with the SME

Although the issue of limited resources was raised by 76% of the interviewees, with 48% specifically identifying financial resources, this aspect was perceived as something OHSCs should manage as part of their approach, balancing the legal requirement for complying with the principles of prevention, with the need for pragmatic solutions to reduce risk.

> *"If I go back to the small businesses that I work with, when I'm trying to talk to them about control measures to implement, I have to bear in mind that they've not got a bottomless pit of cash."* [OHSC17]

The significant influence that the SME owner/managers have on the success of a project was highlighted by 64% of interviewees. Since initial contact between the SME and the OHSC is often involuntary – 56% of interviewees indicated their initial contact with the owner/manager occurred after they had been "persuaded" by enforcement agencies, a serious incident or stakeholders (e.g. customers, insurance providers) that they needed to take action - OHSCs intimated that this influences the owner/manager's approach to the work – it is seen as an additional burden they have to manage.

> "It's only when something happens that their hand is forced. It could be legislation, or it could be an accident, or could be the influence of their stakeholders, but until that makes them change and review their ways of working, there's no reason to change." [OHSC15]

OHSCs acknowledged that unless there was a clear understanding with the owner/manager about their role at the start of the relationship - for example that owner/managers cannot delegate their legal accountability for OHS within the organization to the OHSC; that employing an OHSC does not "tick the OHS box." Failure to achieve this not only decreases the chances the project will be successful, but almost guarantees it will not be sustainable. Some OHSC's described occasions where they had terminated work with SME clients either because of the lack of support and progress or due to moral concerns.

> "I totally get it with SMEs, where they can't understand why you have to do this and why you have to do that, but when there's a clear risk of causing someone injury or ill health, an indisputable risk …..well, if you don't take that seriously, then I really don't want to work with you - that that was my take on it….. I don't want to be associated with someone who's being so cavalier." [OHSC1]

Both the SME and the OHSC are continually assessing the value of the work – the SME from the perspective of achieving the original goals (76% interviewees commented that they produce formal proposals at the start of a project to expound the objectives), the OHSC in terms of the organization's response to their advice. In terms of factors that drive success, the need for OHSC output to be in user-friendly format and issued in a timely manner was mentioned by 88% of interviewees, with 76% also commenting about the importance of SMEs progressing actions.

Factors associated with the OHSC

While describing the principal factors influencing the outcome of assignments, interviewees made limited references to OHSC technical expertise, suggesting it is regarded as a "threshold competence" (*Goleman, 1998, p.319*). They emphasized the importance of business skills, such as problem solving, project planning and understanding of the industry sector – with many commenting on the fundamental importance of taking the context of the organization into account when developing an improvement programme.

The significance of interpersonal skills was identified by 100% interviewees –"soft" skills were listed such as communication (72%) and adaptability (32%) - examples included the importance of listening and valuing SME employees suggestions, as well as using language and tone that reflects the culture of the organization. Many of the interpersonal skills listed during the interviews are associated with emotional intelligence.

> "In a lot of SMEs, the owners or the senior managers have come off the tools and are quite practical people. You need to be able to gauge their personality; how they want to be engaged; shifting your personality to match them and to talk the same language as them." [OHSC20]

OHSCs linked the criticality of developing relationships with SME employees for any project to be successful. They recognized that they have limited opportunity for face-to-face contact with SME employees and no functional authority; over time, they want to be seen as part of the SME team, rather than a bolt-on accessory.

> *"Competence and how you deal with things is also important, but dealing with people, building the trust in the relationship is fundamental. I like to work with clients. I don't work for clients."* [OHSC22]

Discussion

The trend in SME growth, both in numbers of organisations and numbers of employees, is likely to continue, which has worrying connotations in terms of OHS. Some SMEs employ OHSCs to help them manage OHS, but there has been criticism of the efficacy of service provided.

The findings of the study were used to generate a simple workflow, identifying factors that affected the chances of success at each stage, such as providing clear objectives that reflect the contextual situation of the organization and publicizing evidence of progress, especially where this reflects employee contribution and engagement. The workflow indicated that there is opportunity for both the SME and the OHSC to withdraw from the process at any stage.
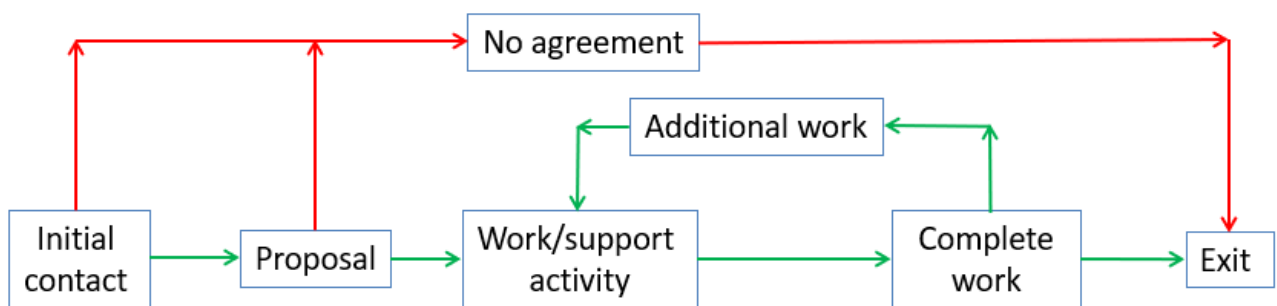

Figure 1: Model of SME/OHSC workflow

However, it became evident during the study that in order for the project to be successful, both in the short and/or long term, it is vital for the OHSC to invest in developing relationships with SME employees by cultivating and nurturing their trust. This reflects previous research on the activities of embedded OHS practitioners (those employed by larger organizations) (Provan, Dekker and Rae, 2018).

The business and interpersonal skills utilized by OHSCs to achieve this correlated with Lewicki and Bunker's (*Lewicki and Bunker, 1996, pp.119*) model for promoting business relationships. This comprises of three dimensions of trust developed through the life of a business relationship and can be applied to the SME/OHSC workflow to demonstrate some of the practical activities and behaviours OHSCs can employ to encourage trust during each stage, shown in figure 2.
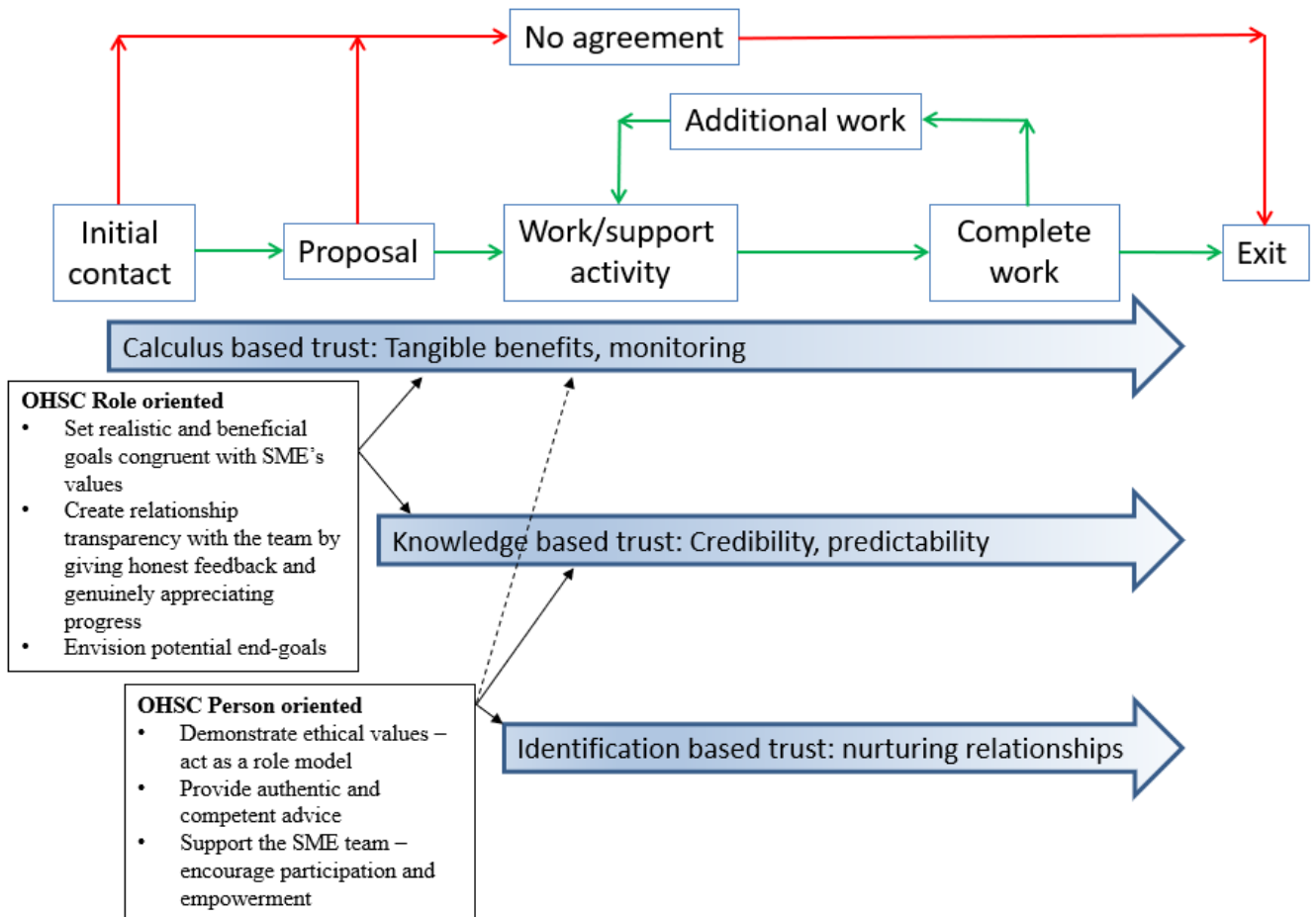
Figure 2: Model of SME/OHSC workflow supplemented with the dimensions of trust.

Initially it is important OHSCs focus on their functional role, vindicating the cost of their services by demonstrating quick wins that can be recognized as beneficial both for the organization by the SME owner/manager and for workers by individual employees. This provides the foundation for them to gain calculus-based trust. As the parties develop their knowledge and understanding of each other's values and behaviour, this develops into knowledge-based trust, with less emphasis on completing objectives and more on cultivating engagement and nurturing relationships with individual employees. The application of skills associated with emotional intelligence during this stage is supported by Falbe & Yukl's research (Falbe and Yukl, 1992), which demonstrated that inspirational appeals (appealing to the targets values, ideals and aspirations), consultation (seeking participation in planning a strategy or activity), and personal appeals (in terms of existing friendship and loyalty) are more effective in obtaining commitment. In contrast, Falbe and Yukl established that pressure (demands and threats) and legitimizing (focusing on the requestors level of authority or policies and standards) are only likely to result in compliance – the required action is completed but without enthusiasm and is unlikely to be sustained.

Lewicki and Bunker's third dimension of trust is identification-based trust, attained when both the SME and OHSC respect each other's values and expectations. To develop trust to this level, the OHSC and individual SME employees must perceive themselves as one team within the SME. Practically, this level of trust is not always achievable for an OHSC, whose presence on site is transient, but an example of the type of activities that will help them move to this level would include delivering in-house competence, thus reducing the SME's reliance on external support.

Conclusion

All OHS professionals need to build trust and nurture relationships, however, the contractual situation of OHSCs and SME resource pressures intensifies their importance in determining whether the interventions will be successful. OHSCs have intermittent contact of limited duration with SME employees and have no formal authority within the organization. This study identifies tools and techniques OHSCs employ in their approach assignments involving SMEs to increase the chances the outcome will be successful in improving OHS standards and sustainable beyond initial implementation.

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