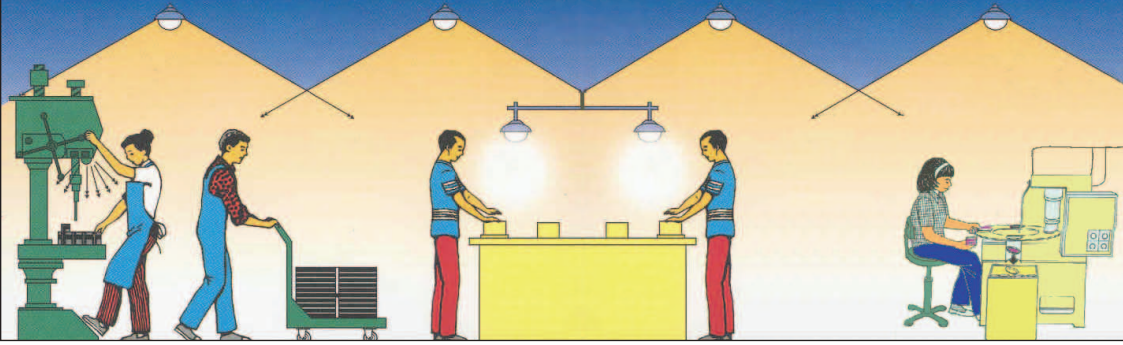


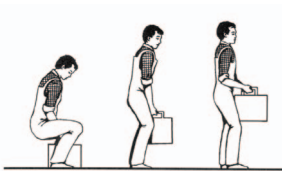
# Work Improvements in Small Enterprises



An introduction to the

## WISE PROGRAMME

Work Improvements in Small Enterprises (WISE), also known as “Higher Productivity and a Better Place to Work”, is a programme developed by the ILO to assist small and medium-sized enterprises in improving working conditions and productivity using simple, effective and affordable techniques that provide direct benefits to owners and workers.



it's easy

it works

it's efficient

at low costs

with clear gains

# SMALL-MEDIUM ENTERPRISES (SMEs)

Small-medium enterprises play an important role in many countries for social and economic development. SMEs are particularly dynamic, creating employment and significantly contributing to local and national economies. However, owners and managers of such enterprises are burdened with many responsibilities and usually do not have big management teams with specialized expertise (engineering, finance, human resources, safety and health, etc.) to rely on.

## WHAT IS THE PROBLEM?

Although SMEs are very important, many of them fail to grow or even survive. Problems of low productivity and poor quality, as well as marketing and finance, lead thousands to bankruptcy yearly. These obstacles often result from the same difficulties and lack of organization that make work hazardous and unpleasant. Such SMEs have untapped potential for change that can easily lead to better product quality, improved working conditions and an overall more competitive enterprise. However, they often lack the tools and techniques to implement such changes.

### Question:

*Could you benefit from higher productivity and a better workplace?*

## WISE AT WORK ● ● ● ● ● ● ● ●



# HIGHER PRODUCTIVITY AND

# THE CYCLE OF COUNTER-PRODUCTIVITY

Often, SMEs are caught in a continuous cycle of unproductive work.



A BETTER PLACE TO WORK

# PRACTICAL SOLUTIONS TO COMMON PROBLEMS

## *Common problems of SMEs*

## *A few of the potential solutions*

Frequent absenteeism

- Control hazardous substances
- Provide clean welfare facilities
- Improve working postures

Low outputs

- Organize workflow to be more productive
- Control temperature and ventilation
- Improve materials storage and handling

Low product quality

- Improve displays and controls to minimize mistakes
- Design workstations better
- Improve lighting

Not enough profits

- Keep workers alert and productive by defeating monotony
- Get rid of extra unnecessary tasks and operations

Employee complaints and dissatisfaction

- Involve and motivate workers
- Organize working time better

Too much wasted time and expense

- Store materials safely and efficiently
- Re-organize work premises for optimum efficiency

# HIGHER PRODUCTIVITY AND

# WHERE DOES WISE FIT IN?

WISE uses the positive potential of SMEs to provide a practical guide on how to implement business solutions that will lead to higher productivity and quality in the workplace that can be sustained. WISE reaches to the SMEs that do not have regular access to services and helps develop better and more productive conditions.

## THE WISE GOAL

### **A better and more productive workplace for everyone**

The goal is to provide a base through training using the WISE methodology that offers practical and beneficial advice to owners/managers of SMEs. With this foundation, businesses can implement simple, cost-effective changes to improve their working conditions. Such improvements are designed to result in increased productivity, quality and benefits for both the enterprise and its workers in the short- and long-term.

## THE WISE METHODOLOGY

The WISE methodology is clear and simple. It is based on voluntary action for improvements that make business sense. Interactive training sessions introduce tools and techniques to owners/managers on improving their enterprises. WISE encourages SMEs to learn together and from each other, thus seeing how their peers have already benefited from WISE methods. Most importantly, the WISE method is founded on a positive approach to learn from one another and avoid negative criticism.

### Principles

- 1** Build on local practice
- 2** Use learning-by-doing
- 3** Encourage exchange of experience
- 4** Link working conditions with other management goals
- 5** Focus on achievements
- 6** Promote workers' involvement

# A BETTER PLACE TO WORK

# TRAINING

WISE conducts a series of short training sessions, in which owners/managers interactively learn simple techniques on how to improve the physical environment, employment conditions and productivity of their companies. The WISE training emphasizes the involvement of both entrepreneurs and workers in generating ideas, prioritizing improvements and making actual changes in the workplace. WISE training courses boost the ability and confidence of both entrepreneurs and workers to implement efficient enterprise changes.

## The Modular Training Programme

Training is conducted in the following areas:

### Physical work environment

#### **1** *Materials storage and handling*

The storage and handling of raw materials, components and products is an integral part of all production processes. Done efficiently, it can ensure that work flows smoothly and helps to avoid delays and bottlenecks.

#### **2** *Workstation design*

A well-designed workstation is important for productive work. Workers usually repeat similar operations a great many times. If they can do so quickly and easily, productivity will be higher and quality will be better.

#### **3** *Machine safety*

Machines are essential to modern production. However, with increased productivity they bring hazards into the workplace. Machine safety is often ignored because it is seen as costly or inefficient. It is often possible to eliminate a machine hazard while at the same time increasing production at low costs.

#### **4** *Control of hazardous substances*

Hazardous substances of one form or another can be found in almost all small and medium-sized enterprises. Exposure to chemicals can be harmful to workers and seriously affect their productivity. It is possible to control most of these problems through simple and inexpensive means.

# HIGHER PRODUCTIVITY AND

## **5** *Lighting*

Poor lighting of the workplace leads to lower productivity and poor product quality as well as eye strain, fatigue and headaches of the worker. Better lighting pays off through higher efficiency.

## **6** *Work-related welfare facilities*

Work-related welfare facilities are often ignored. Little attention or care is given to toilets, first-aid kits, lunch rooms and lockers. But workers care about them. Workers need to drink water, eat meals and snacks. They need to wash their hands, visit the lavatory, rest and recover from fatigue. The essential facilities in your factory show whether or not you care about your workers and repay investment through reduced absenteeism and higher productivity.

## **7** *Work premises*

The factory's working environment or work premises is of utmost importance to the success of small businesses, especially considering that few small businesses are able to design their own factory building or choose one which meets all their needs. Temperature, ventilation, floors, layout, and fire and electrical safety are all factors that can be easily improved to increase efficiency.

## **8** *Environment*

The environment surrounding a business is important to the success of an enterprise, particularly in sustaining good relations with neighbouring homes, businesses and environmental authorities. Moreover, businesses can save money through simple environment-friendly actions, such as reducing their use of water and energy, using environment-friendlier raw materials and managing production wastes. Sometimes waste products can be sold as inputs to other companies. Producing "green" products and promoting environmental awareness can also open new markets and increase business competitiveness.

# A BETTER PLACE TO WORK

# TRAINING (continued)

The WISE programme is being progressively extended to include the following additional themes.

## Social work environment

### **1** *Working time*

The number and arrangement of working hours that employees spend in an enterprise is central to productivity. It is important to structure working time in ways that ensure on-time delivery of products, including by motivating workers towards maximum hourly productivity, and at the same time, minimize the potential risks to their health, safety and family lives.

### **2** *Positive workplace climate*

The atmosphere that an enterprise provides significantly determines the productivity of its workers. A negative working environment, for example caused by harassment or violence, creates an uncomfortable setting which can jeopardize the workers and the business. Therefore, ensuring that any sort of harassment does not occur and creating a positive workplace climate can help to create a better, more efficient and competitive business.

### **3** *Maternity protection*

Businesses can benefit from increased retention of experienced women workers following maternity, and from lower absenteeism and more productive work of pregnant and breastfeeding women. Simple measures are available for businesses to plan ahead for maternity leave, to ensure that women workers are protected and safe during maternity and are able to return to their work after taking leave.

### **4** *Work organization*

Improving work organization is one of the best ways to increase productivity, especially since it can often be done without additional capital investments. Changing the design of products, the lay-out of the shop floor and work assignments are some of the ideas that can be implemented to improve work organization.

# HIGHER PRODUCTIVITY AND



## 5 *Managing and motivating employees*

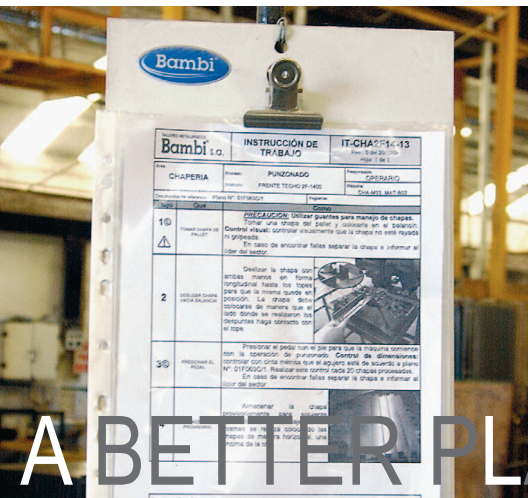
Having good strategies to manage and motivate employees can help to increase productivity. When workers are unmotivated, stressed and have little guidance, this can often cause low product quality, absenteeism, frequent long-term sick leave and regular staff turnover. However, when managing and motivating workers with well-organized strategies, productivity and efficiency will easily follow.

## 6 *Wages and benefits*

Low wages and benefits for workers do not necessarily make your business more competitive, but nor automatically do high wages and benefits. SMEs can use wages and benefits effectively by creating competitive, flexible yet simple pay structures. Ensuring that workers trust the pay system and feel fairly rewarded for their work can improve motivation and productivity.

## 7 *Work-family*

Finding the right balance between work and family is of utmost significance for workers to work well and be productive. For example, absenteeism is often linked to family constraints, and is an important cause of declining competitiveness in an enterprise. Providing cost-effective supports for workers with family responsibilities and arranging schedules to be more family-friendly can go a long way in increasing the productivity of your enterprise.



A BETTER PLACE TO WORK

# SOME WISE SUGGESTIONS TO IMPROVE THE WORKPLACE

## *Get the workers involved*

- Taking better care of machines and equipment
- Keeping the company's interests in mind
- Using proper work methods and organization
- Valuing their inputs and suggestions

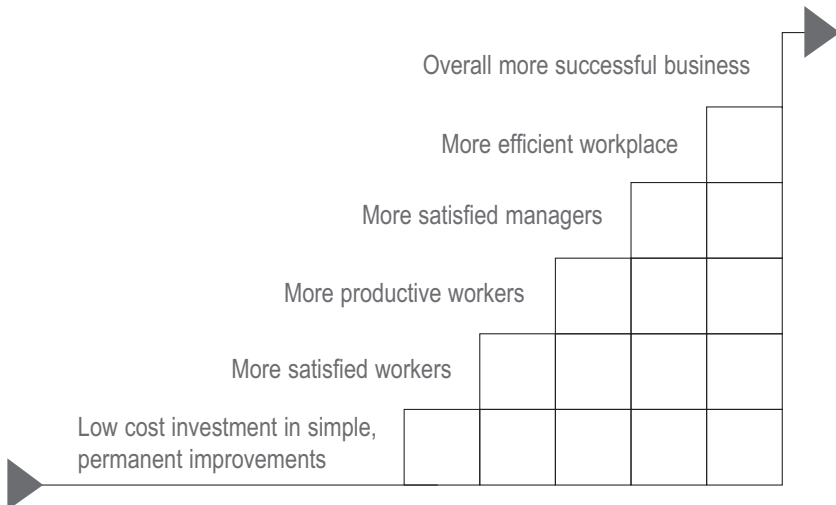
## *Reduce costs and production operations*

- Minimizing waste of raw materials
- Increasing work quality
- Preventing accidents
- Organizing more efficiently

## *Achieve continuing gains*

- Implementing enterprise action plans
- Encouraging a process of continuous improvements
- Making cost-effective investments in tangible improvements
- Learning from others: use good local examples as a guide

## WHAT YOU GAIN



# HIGHER PRODUCTIVITY AND

# SOME COMMENTS...

“The WISE training workshop opened our eyes to seek more improvements. However, you don’t implement things just to save or earn money. But, more importantly, the welfare of the workers is always reckoned with. It’s one sure formula for maximum efficiency in production.”

**Manuel R. Corleto, Vice President and General Manager,**  
*Econotrade, Inc.*  
*Philippines*

## How has the situation changed after the training?

- We have added a footrest to all the tables that needed it. Now the operators work more comfortably.

**Desgranges Rothchild (Trainer)**  
*AG Textiles, Haiti*

- We have more fans and water coolers. Before the training I never drank a lot of water, I could go the whole day without water. But, now I understand the importance of water and my body’s need for it. So I drink a lot of water. I have benefited so much from the tips and principles taught in the training.

**Elius Soné (Production Supervisor)**  
*Confection et Emballage, Haiti*

- There is now a place for everything and everything is in its place. There is now less waste.

**René Valière (Stock Controller)**  
*Martin’s Enterprise, Haiti*

- I’ve been working in this state-owned power plant for many years. We’re used to a top-to-bottom hierarchy, where everything is planned and decided by top-level management. After attending a WISE course, I decided to take immediate improvement actions at the shopfloor level, in the Repair and Service section which consists of 12 mechanics. The workers were very supportive and collaborative, and we’ve succeeded to show good results. WISE good examples gave incentives to other workers and initiated a wave of change in the whole plant. Now, we’re implementing further improvement action plans in the Coal Supply and Transportation section. It shows that even a big enterprise can profit from WISE methods. The WISE programme really lives up to its name!

**Mr. Boldsaihan (OSH Officer)**  
*Power Plant Ulaan Baatar, Mongolia*

# A BETTER PLACE TO WORK

# SOME GOOD EXAMPLES OF WISE IN PRACTICE...

## The Haiti story

A project to improve working conditions in the Haitian assembly sector was started in 2000, funded by the US Department of Labor, implemented by the Association des Industries d'Haïti and executed by the ILO. The project was designed to create better quality jobs in the export apparel sector, by supporting enterprises to make improvements in working conditions, thus meeting garment buyer requirements for compliance with minimum standards of working conditions, safety and health. After three years, significant improvements had been made. Training programmes were provided. Many improvements in working conditions were made in participating enterprises, stimulated by the ILO's WISE approach. There is now a clear understanding of the crucial relationship between improvement in working conditions, a better working environment, increased productivity and quality. The project has also promoted better linkages between the business sector and local vocational training and educational institutions.

**Costs:** \$\$ (medium cost)

**Benefits:** Workers have a proper place to eat and rest, which contributes to higher quality products and greater productivity

BEFORE



AFTER



HIGHER PRODUCTIVITY AND

## The Philippines story

WISE began in the Philippines over fifteen years ago, when it was one of the first countries to adopt the WISE methodology. The successful implementation of pilot tests paved the way for the implementation of a bigger three year (1994-1996) project in four regions, under the sponsorship of the United Nations Development Programme (UNDP). In the Philippines, it has been known as Project WISE: Work Improvement in Small Enterprises. The success story of the Philippines lies in its achievements since then. The Department of Labor and Employment (DOLE) established the capacity to plan, organize, implement, follow-up and evaluate programmes that would assist SMEs without external funding or expertise, and managed to go far beyond just the scope of the initial project. Today, WISE has systematically spread all over the country and is now integrated into national policy.

**Costs:** \$ (low cost)

**Benefits:** Nip points, where two surfaces come together, are protected by a homemade guard, which increases safety and productivity

BEFORE

AFTER



A BETTER PLACE TO WORK

# SOME GOOD EXAMPLES OF WISE IN PRACTICE... (continued)

## The Mongolia story

The Mongolian Employers' Federation (MONEF) adapted WISE in 1998 for improving services to members and contributing to economic and social development. After some years of low-profile activities, gradually increasing its capacity to conduct a WISE programme, MONEF adopted a new strategy in 2004 to expand partnerships with other local organizations to conduct WISE throughout the country. Twenty WISE workshops were conducted in 2005 and even more are planned for subsequent years. Local businesses are benefitting across the country.

**Costs:** \$ (low cost)

**Benefits:** An organized and clean work area reduces stress, the chance of accidents, and the time it takes to locate tools and materials. Keeping areas organized and clean increases productivity and is good for business

BEFORE



AFTER



HIGHER PRODUCTIVITY AND

# BENEFITS TO ORGANIZATIONS

Different types of organizations can benefit by integrating WISE programmes into the services they provide to SMEs.

Type of organization	Benefits of adopting WISE
Employers' organizations	<ul style="list-style-type: none"><li>■ Gain members and provide practical services</li><li>■ Promote improved social performance of enterprises</li><li>■ Improve performance production of businesses</li></ul>
Business development services	<ul style="list-style-type: none"><li>■ Provide a logical complement to finance services, therefore servicing a wider range of business needs</li><li>■ Provide protection against business problems resulting from poor health and safety</li></ul>
Labour inspectorates	<ul style="list-style-type: none"><li>■ Provide tools to shift from purely enforcement role to pro-active development role</li><li>■ Improve inspectors' understanding of issues facing SMEs</li><li>■ Enable technical expertise of inspectors to be used in new ways</li></ul>
Trade unions	<ul style="list-style-type: none"><li>■ Provide practical tools for safety committees</li><li>■ Identify win-win solutions to support bargaining</li></ul>
Women's organizations	<ul style="list-style-type: none"><li>■ Give practical tools for making a difference at the enterprise level on issues of importance to women workers and entrepreneurs</li><li>■ Use technical expertise in applied action-oriented settings</li></ul>
Local government organizations	<ul style="list-style-type: none"><li>■ Help local businesses and workers to benefit the community</li><li>■ Give practical tools to benefit different aspects of the local community</li></ul>
Vocational training organizations	<ul style="list-style-type: none"><li>■ Build good understanding of working conditions, safety and health among trainees</li><li>■ Generate more marketable graduates, providing them with extra fundamental skills</li></ul>
Productivity institutes	<ul style="list-style-type: none"><li>■ Adapt services to SMEs</li><li>■ Provide practical tools for expanding services</li></ul>
Micro-finance institutions and cooperatives	<ul style="list-style-type: none"><li>■ Help maintain sustained growth and profitability of members</li><li>■ Disseminate low-cost good practices that improve productivity</li></ul>

# A BETTER PLACE TO WORK

The techniques in this pamphlet are only a few amongst several others that can help to improve work environments and lead to more productivity. WISE trainers have been trained in 44 countries and many work with small-medium enterprises on improving their businesses.

## WISE methodology

The following ILO publications provide detailed information on the WISE methodology:

The Action Manual that accompanies the Trainer's Manual is designed for entrepreneurs and provides ideas for practical action.

The Trainers Manual explains how to organize and carry out the different training events to improve productivity and working conditions.

## Further information

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