

# Sustaining Competitive and Responsible Enterprises

Supporting small and medium-sized enterprises to grow and create better jobs



International  
Labour  
Office

Geneva

Introduction to the ILO SCORE programme



SUSTAINING COMPETITIVE AND RESPONSIBLE ENTERPRISES



**The ILO's Sustaining Competitive and Responsible Enterprises programme (SCORE) aims to improve productivity and quality among small and medium enterprises (SMEs) by building good workplace practices. SCORE operates in manufacturing and service sectors and industry clusters, providing assistance through regional and national training organizations and industry associations. The programme combines modular in-class training with on-site counselling and on-the-job learning. It also works closely with employee organizations and trade unions to promote better working conditions through workplace cooperation.**

The overall objective of the programme is to assist SMEs in becoming more sustainable through being cleaner, more productive and competitive and providing more sustainable and decent employment. To achieve this, the project is expected to deliver the following outcomes.

# SCORE MAKES ENTERPRISES MORE COMPETITIVE IN NATIONAL AND GLOBAL MARKETS

**OVERALL OBJECTIVE:  
CLEANER, MORE PRODUCTIVE  
AND COMPETITIVE SMEs  
PROVIDE SUSTAINABLE AND  
DECENT EMPLOYMENT.**

**OUTCOME 1: Industry associations can market and coordinate enterprise upgrading services to their local members.**

The project will operate in a sustainable manner by supporting industry associations in targeted sectors and clusters, which will allow the larger scale delivery of enterprise development services.

**OUTCOME 2: Service providers can effectively deliver training and advisory services for workplace upgrading on a commercially sustainable basis.**

The project aims to place a product in the market for business services. Sustainability will be balanced on three pillars: financial (sound market delivery), institutional (build national and local capacity) and technical (capacity building at enterprise, trainer and institutional levels).

**OUTCOME 3: Progressive workplace practices are shared and disseminated at the local, national and global level in collaboration with labour inspectorate services and mass media.**

The up-scaling strategy of the project relies on two main components: mass media based social marketing campaign to reach more workers and managers and the selection of a national counterpart with the capacity to replicate the intervention in new parts of each country.

# SCORE WILL BE ACTIVE IN 6 COUNTRIES AND SEVERAL SUB SECTORS

COLOMBIA  
Flowers and  
textiles

GHANA  
TBD

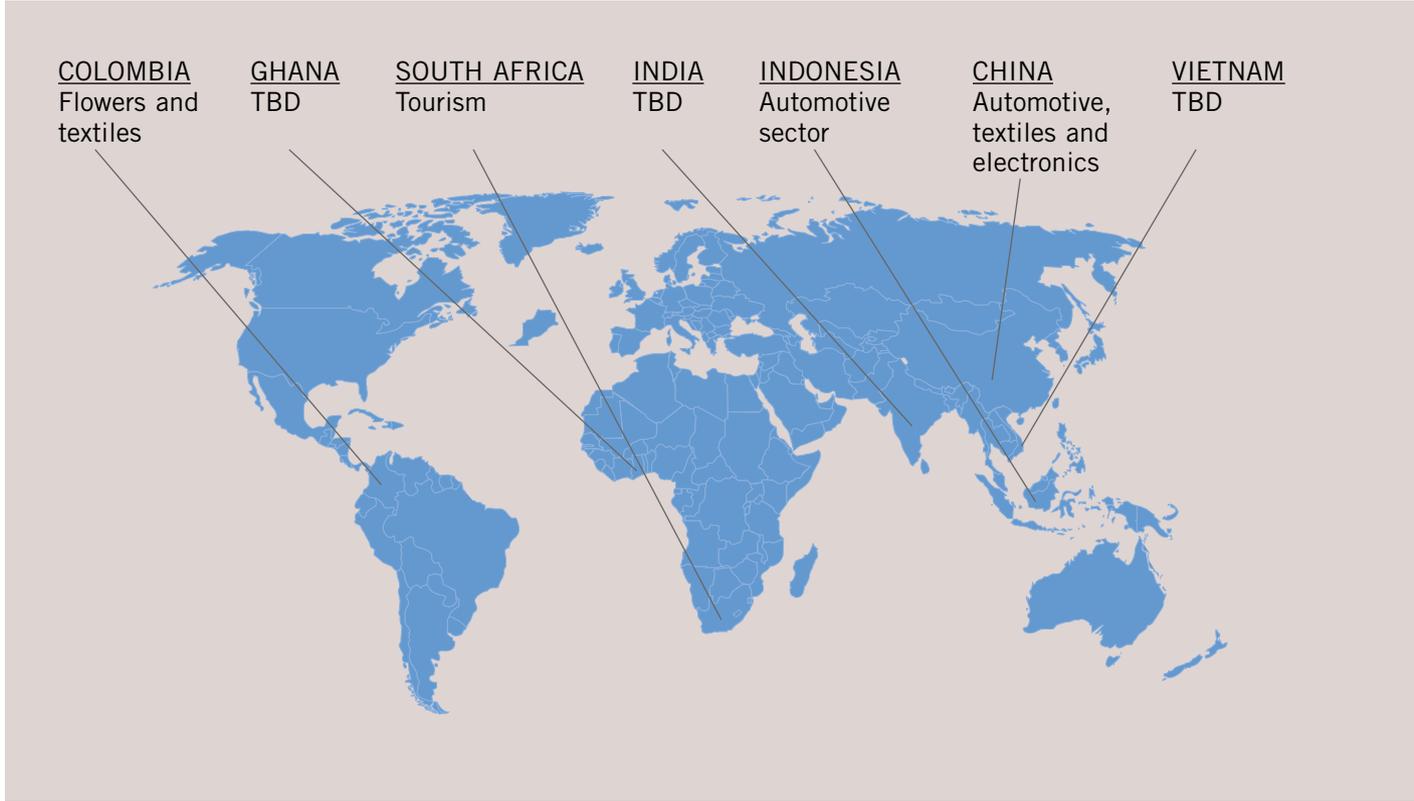
SOUTH AFRICA  
Tourism

INDIA  
TBD

INDONESIA  
Automotive  
sector

CHINA  
Automotive,  
textiles and  
electronics

VIETNAM  
TBD





# COUNTRIES AND

SCORE builds on the results of previous ILO efforts in China, Vietnam, Sri Lanka and South Africa to improve working conditions and increase enterprise productivity and quality. These represented key partnership projects between the ILO and the Swiss State Secretariat for Economic Affairs (SECO) including the facilitation of an enhanced partnership between ILO and UNIDO for collaboration on development and capacity building interventions to improve productivity and environmental management.

The SCORE training programme contains five modules. Each module is covered by a two-day workshop facilitated by a module expert. The modules introduce participants to the basic concepts of the topic and provide them with an opportunity to learn about the various tools that can help to make improvements in the subject area.

# TRAINING MODULE

## SCORE TRAINING MODULES





- > Two day classroom training, per module for managers and workers
- > Local experts provide follow-up counseling, on site, to help the enterprise implement what they have learned
- > Worker / Manager approach to continuous improvement

## EXAMPLES OF RESPONSIBLE WORKPLACE PRACTICES THAT BENEFIT YOUR BUSINESS



- > People are at the heart of competitive enterprises use workplace cooperation to tap into their knowledge and harness their potential
- > Respecting workers' rights means not only compliance with labour standards but also direct benefits for your business
- > Daily worker-supervisor line meetings provide an opportunity to solve problems on the spot
- > Internet and cell phones offer innovative ways to share information
- > Replacing employees is a costly process – Providing satisfactory working conditions lowers labour turnover
- > Paying more than minimum wage can make the difference between your employees staying with you or leaving for a competitor
- > Preventing accidents protects your employees and saves costs

## Benefits of SCORE

<b>SMEs</b>	<ul style="list-style-type: none"><li>&gt; Access to national and global markets by meeting buyer requirements and national labour law requirements</li><li>&gt; Increased productivity and quality, as well as healthier, more committed employees</li></ul>
<b>WORKERS</b>	<ul style="list-style-type: none"><li>&gt; More decent work opportunities in a healthier workplace in compliance with national standards</li></ul>
<b>LOCAL CLUSTERS</b>	<ul style="list-style-type: none"><li>&gt; Improved capacity for SME upgrading among local associations and business development service providers</li><li>&gt; Joint action between enterprise to address common problems</li></ul>
<b>Indirect benefits to:</b>	
<b>NATIONAL AND INTERNATIONAL BUYERS</b>	<ul style="list-style-type: none"><li>&gt; More competitive suppliers</li><li>&gt; Lower risk of bad SME supplier practices</li></ul>

## RESULTS FROM FIRM-LEVEL ACTION

- **A garment factory in Sri Lanka introduced 5S and a quality assurance system and achieved a 50% reduction in defects in 4 months and noticed improvements in staff motivation**
- **A Vietnamese factory producing steel structures introduced workplace cooperation. Within 9 months, raw material wastage decreased by 60%, on-time delivery increased by 24% which allowed the company to increase wages by 40%**
- **A Chinese knitting firm introduced anti-discrimination policies and transparent hiring practices which improved the quality of staff**
- **An Indian metal works firm established an enterprise improvement team which implemented production changes that reduced scrap materials by 80%**
- **Better machine maintenance in a Vietnamese printing firm reduced operational costs by 25%**

# KEY SCORE TOOLS

## 1. Employee suggestion schemes

An employee suggestion scheme (ESS) is a system within a business that absorbs employees' ideas for improving the business operation. Through the scheme, management can gather important performance improvement ideas. At the same time, they can learn more about employees' work, attitudes towards current mode of operation, and level of commitment towards improvement plans, which are all essential to identify and determine employees with potential, foster high morale, and develop ways of improving productivity of employees.

Employees also benefit from their involvement since they are presented with the opportunity to share their ideas and be recognized for their abilities, rewarded for their good suggestions and gain self-confidence and

the respect of their co-workers. The overall purpose of employee suggestion scheme is to give confidence to employees to actively participate to the improvement of their productivity and increase a sense of ownership of their work.

Establishing a suggestion scheme is simple and can significantly improve the performance of your business by providing managers with crucial information coming directly from the workers who have first hand experience about the challenges they face on the production floor. If implemented right, management can obtain valuable suggestions from a worker that might increase productivity and income more than an expensive consultancy plan would. Suggestions can be facilitated by simply providing a suggestion box, or other methods such as whiteboards, a company blog or a website.

**“In all these years we never explored the possibility of looking to workers for constructive ideas. Implementing the suggestion box scheme and recognizing and rewarding workers' suggestions tapped into our employees' knowledge, saved us money, and encouraged workers to participate.”**

**General Manger of a Sri Lankan Garment Factory**

## ESSENTIALS OF WORKPLACE COOPERATION



Workplace cooperation is based on trust, mutual respect and confidence built on a history of good communication and information sharing. SCORE training introduces various tools to managers and employees that improve workplace cooperation and help SMEs move to higher levels of quality and productivity. These tools are taken from worldwide best practices used by best in class companies to achieve outstanding results.

# KEY SCORE

## KEY SCORE TOOLS

### 2. Implementing 5S

5S is an excellent way of building workplace cooperation because it relies on teamwork and joint problem solving to achieve all five levels of 5S improvement. Individual responsibility is also enhanced because each person in the workplace keeps their work area clean and orderly. It is called 5S because it is borrowed from Japan where the five “housekeeping” words each begin with the letter “se” (or “shi”).

In many enterprises, it is common to see shop floors and offices full of unnecessary items, dust, scattered tools and files and with cluttered aisles and corners. Much time is usually lost while searching for things, moving items, asking for instructions, on accidents and untimely repairs.

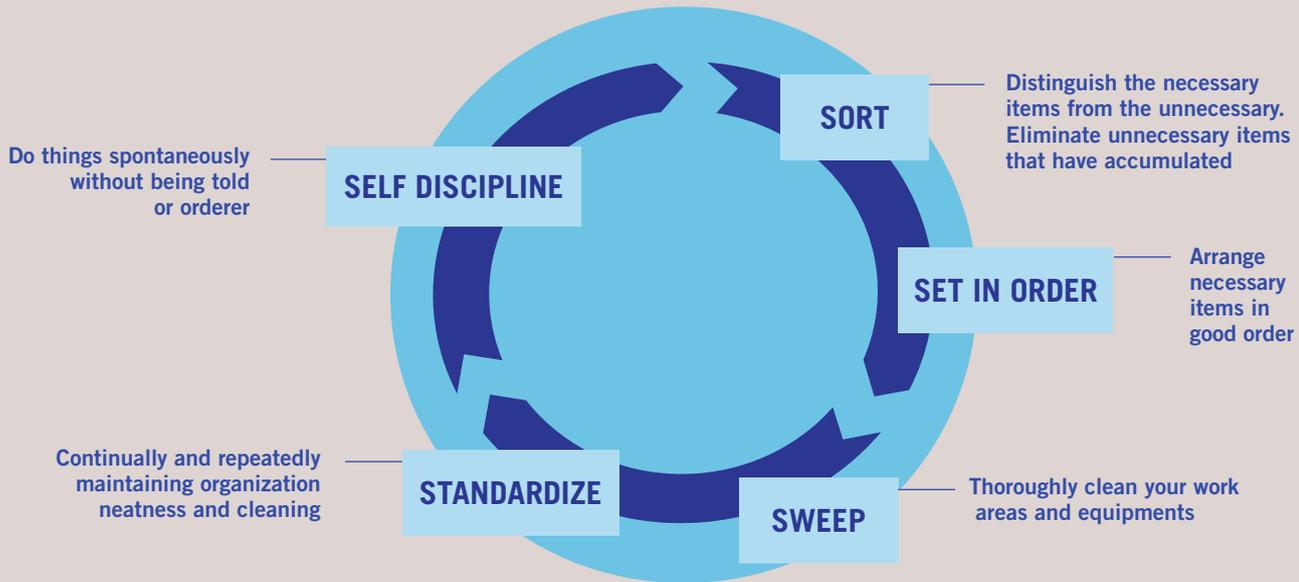
In these enterprises, poor housekeeping and work organization is the root cause for problems such as a high volume of rejects and spoilage, delays in delivery, machine breakdowns, low labour productivity, accidents, losses, a high level of inventory, etc.

**5S is the starting point into the continuous improvement journey**



> Before and after 5S

## THE KAIZEN 5S IMPROVEMENT CIRCLE



# KEY SCORE TOOLS

## KEY SCORE TOOLS

### 3. Visual measurement

One very simple way to collect information on the various stages of the improvement process you have initiated is to take photographs. Inspired from the 5S approach, visual measurement is a straightforward method requiring few resources.

Keep photographs of the areas you and your employees are working to improve. Label and date them in a file along with the action plan you have defined and periodically check your progress by taking another photo. “Before” and “after” photographs show what changes have taken place and can also act as motivators for change. The “before” pictures motivate the team in charge of that area to improve the area. The “after” pictures on the other hand depict the improved state and provide motivation to others in the factory to improve.



- > The “before picture” shows an unorganized and unsafe workplace



- > The “after picture” shows clear improvements of the workplace

#### 4. Productivity Through Cleaner Production and Creating Green Jobs

Global emissions of greenhouse gas need to be reduced sharply over the next decades. This requires millions of enterprises and workers contribution to drastically improving energy efficiency and shifting to clean sources such as renewable energy.

The SCORE project is committed to working with SMEs to bridge the gap between competitive and industrial production and environmental concerns. Across the planet, SCORE projects are partnering with the United Nations Industrial Development Organization (UNIDO) and Clean Production Centers to help SMEs reduce environmental pollution and consumption of resources and implement Cleaner Production processes.

For the ILO, the notion of green jobs summarizes the transformation of economies, enterprises, workplaces and labour markets into a sustainable, low-carbon economy providing decent work. Cleaner production helps enterprises reduce their environmental impact, avoiding greenhouse gas emissions and minimizing waste and pollution.



## The programme

SCORE is a programme of the International Labour Organization that supports small and medium sized enterprises to grow and create more and better jobs by improving their competitiveness through better quality, productivity and workplace practices. Short training sessions for workers and managers are followed by enterprise visits and counseling to meet the specific needs of individual enterprises. The programme is particularly relevant for enterprises that face internal problems relating to quality, productivity, pollution and waste, workplace health & safety or human resources management. SCORE is an integral part of ILO's Sustainable Enterprise Programme. The SCORE programme is funded by the Swiss State Secretariat for Economic affairs (SECO) and the Norwegian Agency for Development Cooperation (NORAD).

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