

Financial Assistance for Small and Medium Enterprises

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Introduction

In Singapore, our Workplace Safety and Health (WSH) framework is guided by three principles, namely:

- i. Reducing risks at source by requiring all stakeholders to eliminate or minimize the risks they create;
- ii. Instilling greater ownership of safety and health outcomes by industry; and
- iii. Preventing accidents through higher penalties for poor safety management

The framework involves the introduction of the Workplace Safety and Health Act (WSHA) and WSH2015, a Strategy for Workplace Safety and Health. WSHA signifies a fundamental shift in the WSH legislative regime in Singapore, by adopting a performance based approach compared to the previously prescriptive approach, while the WSH2015 is a comprehensive plan to direct the collective efforts of all stakeholders towards implementing actions that produce a quantum leap in Singapore's health and safety climate.

Risk Management (RM) is a cornerstone of this new framework and the WSH (RM) Regulations enacted in 2006 requires employers to conduct risk assessments on the work they are undertaking and take steps to eliminate or reduce the risks.

In Singapore, Small & Medium Enterprises (SMEs) with 200 or less employees collectively account for about 60% of the total workforce. Given the large number and myriad nature of SMEs in Singapore, there is a need to help SMEs and their workers to manage their own WSH performance, by building up their capability in RM and in Workplace Safety and Health Management System (WSHMS).

SMEs often lack the resources of bigger companies to implement elaborate WSH management systems. Therefore it is essential to make available accessible and practical steps SMEs could take towards improving their WSH practices and systems, providing them with added encouragement in achieving a safer and more productive workplace.

Risk Management Assistance Fund (RMAF)

In April 2006 the Singapore government introduced a S\$5 million Risk Management Assistant Fund (RMAF) to help SMEs begin capability building in RM. The fund was meant to have lasted for three years, but in less than half that time period, it was fully committed to help some 800 SMEs.

To allow more SMEs to benefit from the scheme and implement risk management successfully, the fund was topped up. This was done in 2007 where a further S\$8 million was topped up to the fund, which was to be distributed at S\$2 million per year over 4 years. To benefit more SMEs, the maximum co-funding per company was revised, and now capped at \$3,500. The revised amount better reflects the cost of training and consultancy work and allows the same pool of money to be used by more, e.g. enterprises now come together to arrange for large group training to achieve economies of scale. Based on the new funding cap, 2300 SMEs are expected to benefit from the fund over the 4 years.

The RMAF serves to co-fund the engagement of professional consultant to ensure that specific risks are properly identified and controlled to build in-house capability through training-led consultancy.

RMAF also eases the transition for companies which do not have sufficient capabilities to implement the new WSH framework. For example, with the expansion of the WSH legislative regime to cover all workplaces by 2011, enterprises in sectors which were previously not included under the WSHA could receive funding help in building up capabilities in management of safety and health outcomes.

Enterprises that have received funding through RMAF are expected to conduct and implement risk assessment at the workplace, to demonstrate top management commitment towards WSH, and to have a significant percentage of staff trained in WSH.

bizSAFE – a programme for SMEs

bizSAFE was launched in April 2007 during the National Workplace Safety and Health Week and run by the Workplace Safety and Health Council (WSHC) to attract and guide SMEs in building up capabilities in RM and WSHMS. This is aimed at recognition of efforts put in to build good WSH management systems.

The programme was designed based on the belief that there is no conflict between WSH and profitability. When accidents occur, not only workers and their families suffer - employers will also suffer loss of business and profitability. Sustained good WSH performance also helps to boost competitiveness through increase in productivity and enhanced corporate image.

a) bizSAFE Community – A WSH Business Ecosystem

By banking on promotional and engagement efforts instead of regulatory and enforcement actions, the programme fosters a bizSAFE Community, which is akin to a business ecosystem where enterprises, large companies, suppliers, service provider influence and depend on one another to develop better safety and health outcomes.

The roles of each member of the bizSAFE Community are summarized below:

- i. *bizSAFE Enterprises* are SMEs which learn and implement RM and WSHMS and receive recognition for good WSH-in-business efforts.
- ii. Larger companies with good WSH management systems could play the role of *bizSAFE Mentors*. With mentors demonstrating excellent WSH performances and leadership, SMEs can observe first-hand the benefits of good WSH practices, implement proven systems and improve their capabilities.
- iii. *bizSAFE Partners* provide motivating factors to SMEs to improve on their WSH capabilities. For example, a project client as a *bizSAFE* partner could require their contractors to attain a certain *bizSAFE* level of recognition before acquiring their services. Other examples of *bizSAFE* partners include landlords, major buyers, insurers, banks, etc.
- iv. *bizSAFE Service Providers* provide training, consultancy and programme evaluation services e.g. Accredited Training Providers (ATPs), RMAF agents.

b) bizSAFE – Five Levels of Recognition

In this programme, there are five different levels of WSH management capability to achieve, each bringing a step closer in the journey to bring about a safer and more competitive workplace. At *BizSAFE* one, the enterprise top management commits themselves in WSH by attending a *bizSAFE* workshop and develops a WSH policy for the company. As the enterprise acquires more capabilities and implements RM and WSHMS progressively, it advances to higher *bizSAFE* levels. At the highest level, *bizSAFE* Star, the enterprise would have shown that it can deliver excellence in WSHMS, verified by an independent third party certification company.

c) bizSAFE Funding

From *bizSAFE* levels 1 to 3, the SMEs could leverage on RMAF to provide funding in implementing Risk Management for their organization.

At *bizSAFE* 5, companies can tap on the Local Enterprise Technical Assistance Scheme (LETAS) to obtain a grant to engage an external consultant to assist in the implementation of the WSHMS in the company. LETAS subsidises up to 50% of the costs of hiring the consultant. This fund is administered by SPRING Singapore.

Conclusion

Through *bizSAFE* and RMAF, funding and recognition go hand-in-hand to motivate and assist SMEs towards capability building in RM and WSHMS. This is done by establishing business incentives such as business contracts, mentorships and providing enterprises with the financial means necessary to manage WSH. RMAF has benefited over a thousand SMEs while *bizSAFE*, in its relatively infancy stage, has inspired hundreds of enterprises to take the initial steps en route to WSH excellence. The two programmes are instrumental in putting Singapore's WSH Framework into action, firstly, in shifting industry mindset from following the letter of the law to taking responsibility of standards and outcomes and secondly, they emphasize the importance of good WSH management systems.