



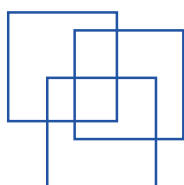
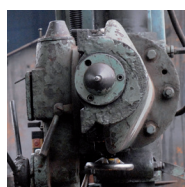
International  
Labour  
Office  
Geneva



# SCORE

## Sustaining Competitive and Responsible Enterprises

PHASE I FINAL REPORT 2013



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**SCORE**  
**Sustaining Competitive**  
**and Responsible Enterprises**

PHASE I FINAL REPORT 2013

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# Table of Contents

Abbreviations/Acronyms.....	5
Preface .....	9
<b>1. SCORE in brief .....</b>	<b>11</b>
<b>2. An overview of progress made during SCORE Phase I.....</b>	<b>15</b>
<b>3. SCORE Phase I: Activities completed in SCORE countries ....</b>	<b>19</b>
<b>4. Lessons learnt during Phase I .....</b>	<b>35</b>
<b>5. Highlights of the SCORE Phase II Proposal.....</b>	<b>39</b>
<b>6. SCORE enterprise case studies .....</b>	<b>43</b>

# Abbreviations/Acronyms

AAEA	Ahmednagar Auto & Engineering Association
ACFTU	Federation of Trade Unions (China)
AGI	Association of Ghanaian Industries
AIEMATC	Estates and Manufacturers Association Training Centre (India)
AIOE	All India Employers Organization (India)
AITUC	All India Trade Union Congress (India)
ANDI	Asociación Nacional de Empresarios de Colombia
APINDO	Indonesian Employers Association
ASOCOLFLORES	Colombian Association of Flower Exporters
BSCI	Social Compliance Initiative
BUSA	Business Unity South Africa
BWP	Better Work Programme
CEC	China Enterprise Confederation,
CGT	Confederación General del Trabajo (Colombia)
CSAWS	Chongqing Administration of Work Safety
CTA	Technology Centre Antioquia
CTC	Confederación de Trabajadores de Colombia
CUT	Central Unitaria de Trabajadores (Colombia)
DCED	Donor Committee for Enterprise Development
DWCP	ILO's Decent Work Country Programme
EIT	Enterprise Improvement Team
GEA	Ghana Employers' Association
GTUC	Ghana Trade Union Congress
HAWA	Handicraft & Wood Industry Association (Viet Nam)
HMS	Hind Mazdoor Sabha (a trade union federation in India)
ILO	International Labour Organization
INTUC	Indian National Trade Union Congress
KSBSI	Indonesian Prosperity Trade Union Confederation
KEPIS Kalibata	All Indonesian Workers' Union Confederation Kalibata
KSPI	Indonesian Trade Union Confederation
KSPSI Pasar Minggu	All Indonesian Workers' Union Confederation Pasar Minggu

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KNP	Kruger National Park
KPIs	Key Performance Indicators
LABADMIN	ILO's Labour Administration unit
LMCP	Lean Manufacturing Clean Production
M&E	Monitoring and evaluation
MESW	Ministry of Employment and Social Welfare (Ghana)
MOHRSS	Ministry of Human Resources and Social Security in (China)
MoLE	Ministry of Labour & Employment (India)
MoLISA	Ministry of labour, Invalids and Social Affairs (Viet Nam)
MoMT	Ministry of Manpower and transmigration (Indonesia)
MoU	Memorandum of Understanding
MSDS	Material safety data sheets
MSME	Ministry of Micro, Small and Medium Enterprises (India)
NDT	National Department of Tourism (South Africa)
NORAD	Norwegian Agency for Development Cooperation
OEMs	Original Equipment Manufacturers (India)
OSH	Occupational safety and health
PPP	Public Private Partnership
QCCs	Quality Control Circles
SACCAWU	South African Commercial, Catering and Allied Workers Union
SANPARKS	Southern African National Parks
SAWC	Southern African Wildlife College
SCORE	Sustaining Competitive and Responsible Enterprises
SECO	Swiss Secretariat for Economic Affairs
SENA	Servicio Nacional de Aprendizaje (Colombia)
SME	Small and medium enterprise
UNIDO	United Nations Industrial Development Organization
VCCI	Viet Nam Chamber of Commerce and Industry
VGCL	Viet Nam General Confederation of Labour
YDBA	Dharma Bhakti Astra Foundation

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# Preface

Competitive private enterprise is the principal source of economic wealth and jobs globally, and the work of ILO promotes growth and job creation as an essential response to the challenges of the global economy. However, sustainable growth and development cannot be achieved without social justice and decent work, so ILO's decent work agenda emphasises not just creating jobs, but also improving the quality of jobs. Responsible and sustainable workplace practices demonstrate respect for rights at work, provide opportunities for skills development and social dialogue, and offer good working conditions, including safety and health. Such practices also boost productivity and competitiveness.

As the ILO Director General, Guy Rider, has stated, *“Improved jobs and livelihoods are an indispensable means to eradicate poverty and establish a virtuous circle of expanding and inclusive economic growth<sup>1</sup>.”*

This sentiment is reflected in conclusions reached by representatives of governments, employers, and workers, at the International Labour Conference in 2007, following a discussion on sustainable enterprises:

*“Sustainable enterprises need to innovate, adopt environmentally friendly technologies, develop skills and human resources, and enhance productivity to remain competitive in national and international markets. They also need to apply workplace practices based on full respect for fundamental rights at work and international labour standards, and foster good labour-management relations as important means of raising productivity and creating decent work. These principles are applicable to all enterprises.”*

SCORE was established in response to this conclusion. Since its inception in 2009, SCORE has become a corner-stone of ILO's strategy to promote workplace cooperation, decent work, sustainability, and competitiveness in SMEs. In just three years, a high quality training package has been developed, geared precisely to the needs of SMEs, and more than 2,400 managers and workers have already brought positive change to their enterprises as a result of SCORE training. However, much more can be achieved.

Enormous gains for social and economic development can be made by leveraging good working conditions and investment in the workforce, as drivers of higher productivity, competitiveness, and economic growth. This is particularly true in SMEs, which make up the vast majority of enterprises in most countries. While they provide the bulk of employment, and create most new jobs, their productivity levels and working conditions often lag behind. The ILO has

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1. Statement by the ILO's Director-General, Guy Ryder, to the International Monetary and Financial Committee and Development Committee. *Putting jobs at the centre of recovery and sustainable development* (Spring Meetings of the World Bank and the IMF). Apr 20, 2013



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identified improvements in working conditions and productivity in SMEs as an *Area of Critical Importance* and a priority for the Organization in the years to come. SCORE will continue to play a central role in this endeavour.

This report marks the end of Phase I of SCORE and summarises what has been achieved during this time. It also anticipates Phase II, highlighting the key objectives that will be focused on, including continuing to build the capacity of partners to deliver and promote SCORE training, extending the reach of SCORE to more SMEs, and building sustainable national models for training delivery in the future.

Thanks are due to the support of donors who have provided the essential financial support needed to develop and implement SCORE in seven countries. Thanks are also due to all the national partners that have contributed to the development of SCORE training modules and ensured its delivery and outreach.

MICHAEL ELKIN

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Sustaining competitive and Responsible Enterprises (SCORE)  
International Labour Office

PETER POSCHEN

Director  
Enterprises Department  
International Labour Office

# **1. SCORE in brief**

## 1.1 SCORE: An enterprise training programme for SMEs

The Sustaining Competitive and Responsible Enterprises (SCORE) project was established in response to the conclusions reached by representatives of governments, employers, and workers at the International Labour Conference in 2007, which underlined the need to promote the development of sustainable enterprises. SCORE has since become a key pillar of the ILO's strategy for achieving ILO Programme and Budget Outcome 3: The Promotion of Sustainable Enterprises.

SCORE is a practical training and in-factory counselling programme that improves the productivity and working conditions of small and medium enterprises (SMEs). The programme demonstrates best international practice in the manufacturing and service sectors, and helps SMEs to participate in global supply chains.

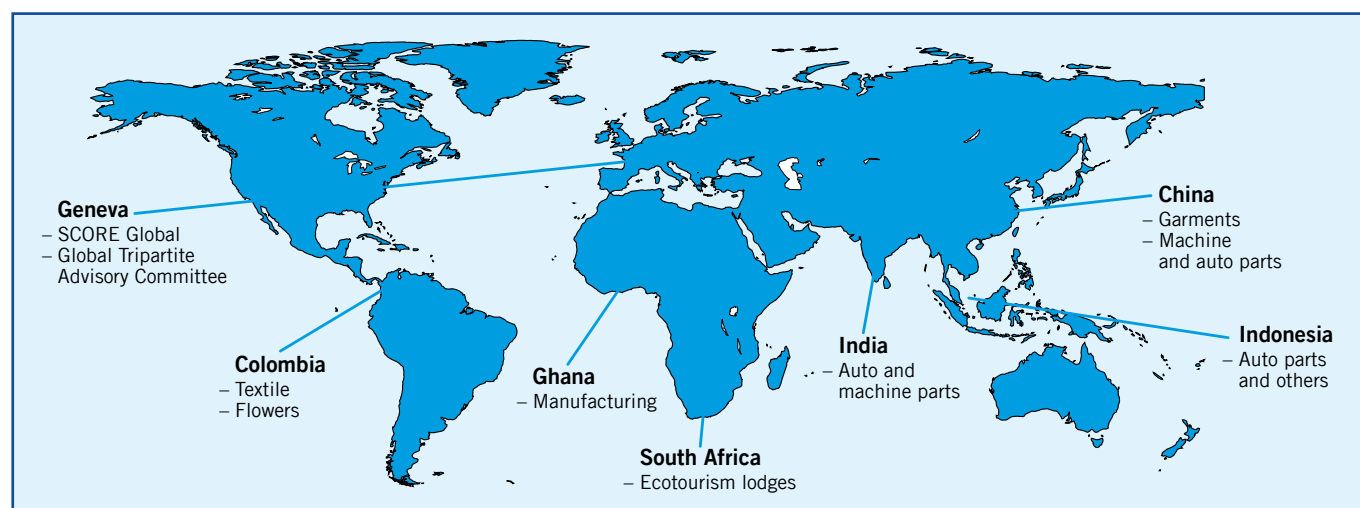
The SCORE training programme is modular and focuses on developing co-operative relations in the workplace. There are five training modules, which provide training on workplace cooperation, quality management, human resource management, clean production and occupational safety and health. The training module on cleaner production was developed in collaboration with the United Nations Industrial Development Organization (UNIDO).

For each module workers and managers participate together in a two-day classroom training. After this training, local experts follow up with on-site visits, to help enterprises to implement what they have learnt.

## 1.2 ILO supports the delivery of SCORE training in key sectors in emerging economies

The ILO has assisted government agencies, training organizations, industry associations and trade unions in seven emerging economies in Africa, Asia and Latin America (see Figure 1 below) to offer SCORE training to enterprises.

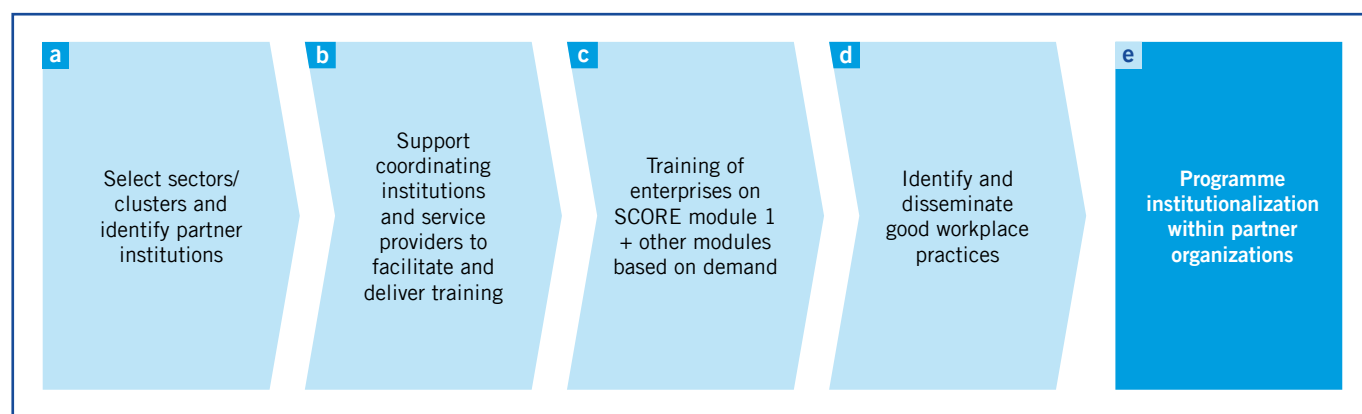
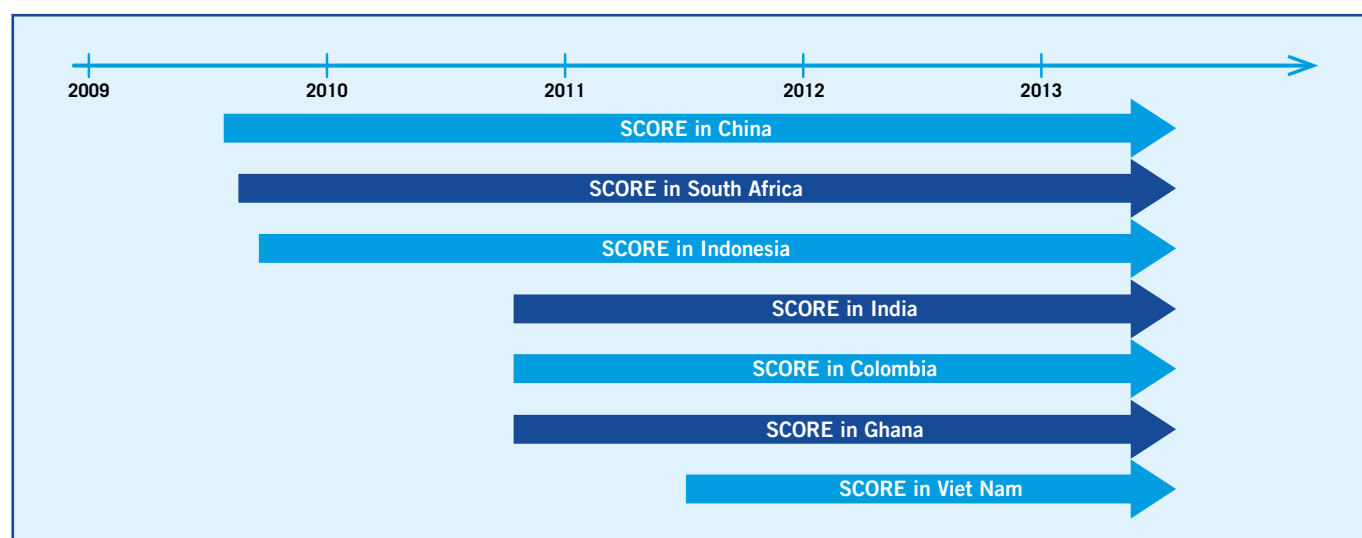
Figure 1.  
SCORE project countries and target sectors



Phase I of the SCORE project focussed on the introduction of the SCORE training programme to partner organizations, through the roll-out of SCORE Modules 1–3 (*steps a–c* in Figure 3 below). In China and Indonesia, where project work started in 2009, both trainers and SMEs have been trained on all five modules. In fact, Indonesia has advanced to *step d*, with the rollout of a social marketing campaign in autumn 2012.

SCORE rollout also began in South Africa in 2009, but progress was slowed by a number of challenges met during the first year. Countries where rollout started a year later – Colombia, Ghana, India, Viet Nam – benefitted by learning from this experience and so were able to catch up quickly with the early starters (see Figure 2 below).

**Figure 2.**  
SCORE implementation start dates



**Figure 3.**  
The step-by-step SCORE implementation strategy

In April 2013, based on a positive final evaluation of Phase I of the project, the Swiss Secretariat for Economic Affairs (SECO) and the Norwegian Agency for Development Cooperation (NORAD) approved a five-year extension for SCORE, to work in the seven existing countries and (conditionally) to expand into one new country: Peru.

Following recommendations made in the final evaluation report for Phase I, the main focus of SCORE Phase II will be on reaching programme sustainability i.e. the institutionalization of the SCORE training programme in partner organizations (*step e* in Figure 3). The current service delivery model, and outreach to a greater number of enterprises, will only be feasible if the SCORE training programme becomes part of the regular service portfolio of large national training providers.

## **2. An overview of progress made during SCORE Phase I**

## 2.1 Development and delivery of the SCORE training programme

During the first year of the project, the ILO developed the global version of the SCORE training package. This package, consisting of five training modules, has been approved by representatives from trade unions and employer organizations. It has been translated into seven languages and has been adapted to several manufacturing sectors, as well as the service sector (hotels).

## 2.2 Capacity building of national institutions and experts to offer SCORE training and ensure quality

To ensure the quality and outreach of the training, a comprehensive training of trainers and capacity building programme has been developed for organizations who want to deliver SCORE training. This has facilitated capacity building in 19 institutions (government agencies, industry associations, training organizations and trade unions) and helped prepare them to deliver the SCORE training programme independently.

Cost-sharing arrangements have resulted in partners providing substantive support for SCORE training in the form of budget support, as well as through pro-bono consulting and facilitation services. The total estimated value of this support is US\$500,000.

To ensure training quality, ILO has introduced a trainer certification system that allows only qualified consultants to use the SCORE brand and training materials.

The ILO has also put in place an impact monitoring and evaluation (M&E) system for SCORE, which follows the Donor Committee for Enterprise Development (DCED) standard for results measurement and includes a database to monitor project activities and enterprise impact in real-time.

Figure 4. Some of the ILO partner organizations offering SCORE training to SMEs



**As at September 2013, the following achievements can be reported:**

ILO partner organizations and trainers have provided training to managers and workers in 308 SMEs. These SMEs represent a total workforce of more than 54,000 workers. More than 2,400 managers and workers have jointly participated in classroom training. Overall, 42% of these participants were workers, 70% were men and 30% were women.

**Key results from Phase I include:**

- **Dialogue between workers and managers at the enterprise level:** On average, per SME that has reported data, during the training period joint manager-worker Enterprise Improvement Teams met 3.4 times per month and implemented eight jointly identified improvement projects.
- **Savings in costs and energy consumption:** More than 50% of enterprises reported experiencing immediate cost-savings after implementing initial “Enterprise Improvement Plans” (300 to US\$15,000 in three months). 42% reported reductions in monthly energy consumption (-2% kWh per production unit).
- **Defects:** 80% of enterprises reported reductions in defects (-10% on average).
- **Accidents and absenteeism:** Reported accidents decreased by 16% and absenteeism by 3.6%.

All enterprises participating in SCORE have participated in training on SCORE Module 1: A Foundation for Business Success, *Workplace Cooperation*, which is the only mandatory SCORE module. Approximately 40% of enterprises have taken at least one further module.

Figure 5. The number of trainers and SMEs trained across all countries

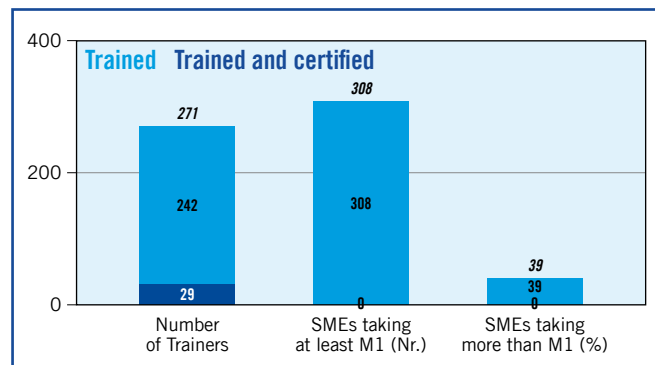
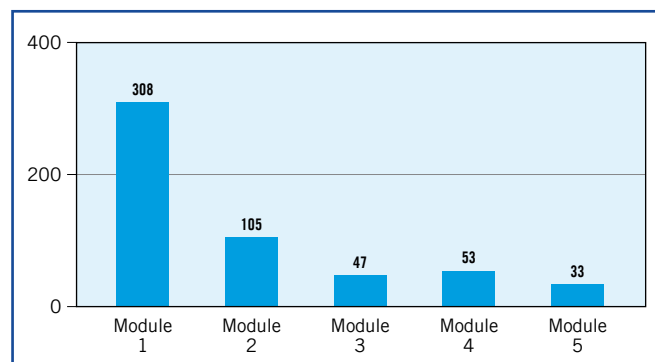


Figure 6. The number of SMEs trained per module across all countries



### **3. SCORE Phase I: Activities completed in SCORE countries**



# 3.1 SCORE in China

## Building institutional partnerships in China

SCORE has been introduced in four regions in China: Dalian, Chongqing, Chengdu and Shanghai. In the first three of these, the local branches of the China Enterprise Confederation (CEC) are partnering with the ILO to market the training to their members and organize the trainings.

## Cooperating with the private sector to deliver SCORE along supply chains

A successful pilot Public Private Partnership (PPP) with COOP, the Swiss retailer, led to two groups of suppliers in Shanghai receiving SCORE training funded by COOP. This has since led to a new collaboration with the Business Social Compliance Initiative (BSCI), a business membership organization with more than 1000 large member companies. Under the current agreement, BSCI members are marketing SCORE training to their suppliers in China, with training costs being shared between the BSCI member company and the participating supplier.

## Using SCORE to strengthen the labour inspectorate

The SCORE team is working in cooperation with the ILO's Labour Administration unit (LABADMIN), with the aim of developing collaboration with the Chongqing Administration of Work Safety (CSAWS). The CSAWS is interested in developing a SCORE training package for local work safety inspectors and senior enterprise managers, which would contribute to the achievement of strategic priorities identified by the Ministry of Human Resources and Social Security (MOHRSS).

## SCORE in the context of ILO's Decent Work Country Programme (DWCP) in China

SCORE implementation contributes to achieving the objectives of the DWCP by improving the productivity and competitiveness of enterprises, enhancing job quality, and increasing access to better employment for those who are disadvantaged in the labour market. It is linked to ILO Programme and Budget Outcome 3: Sustainable enterprises create productive and decent jobs.

### Profile

**Start date:** August 2009

**National Tripartite Advisory Committee:** China Enterprise Confederation (CEC), Ministry of Human Resources and Social Security (MOHRSS), Federation of Trade Unions (ACFTU), SECO, NORAD

**Sectors:** Automotive parts and other manufacturing sub-sectors

**Geographical coverage:** Dalian, Chongqing, Chengdu, Shanghai, Shenzhen

**Implementation partners:** CEC, TUEV, individual consultants



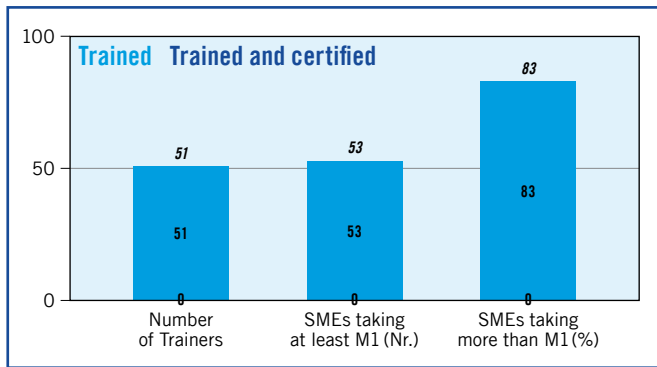


Figure 7. The number of trainers and SMEs trained in China

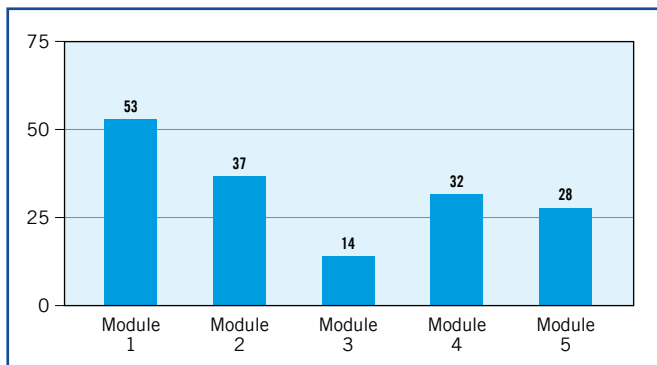


Figure 8. The number of SMEs trained per module in China

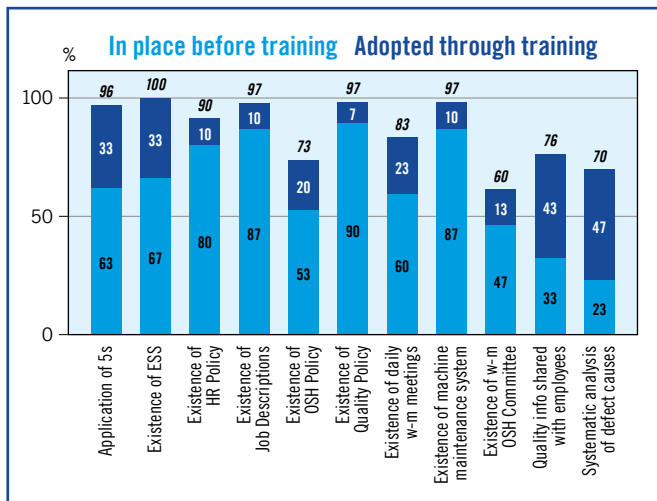


Figure 9. The percentage of SMEs in China adopting good practices following SCORE training

## Key data on training activities in Phase I

- Number of SMEs trained: 53
- Staff trained in the classroom: 784
  - 24% workers/76% managers
  - 34% women/66% men
- Number of trainers trained: 51
- Number of enterprise visits conducted: 224

## Key training impacts at participating SMEs

To estimate the impacts of training, specific ‘key performance indicators’ (KPIs) are tracked for all enterprises participating in the programme:

- **Social dialogue at enterprise level:** On average, per SME that reported data (30 out of 53), during the course of the training programme, Enterprise Improvement Teams (EITs) consisting of both workers and managers met three times per month and implemented 21 jointly identified improvement projects;
- **Cost-savings:** 83% of enterprises reported cost-savings due to the training (US\$18,670 on average);
- **Defects:** 70% of enterprises reported reductions in defects (–11% on average);
- **Materials usage and waste management:** 50% of enterprises reported reductions in materials usage and 43% reported reductions in the amount of waste produced;
- **Energy consumption:** 30% of enterprises reported reductions in energy consumption (–13% KWh per production unit on average).

The SCORE team also track qualitative improvements through case studies. Some examples of these are provided later in this report.

**The satisfaction rate with SCORE training in China is 94%**

## 3.2 SCORE in Colombia

SCORE work in Colombia began in December 2010 and a strong partnership with Servicio Nacional de Aprendizaje (SENA), the national vocational training organization, was quickly established. Since then, SENA has been highly engaged in promoting SCORE and has incorporated the programme into its training portfolio, beginning in two sectors, in two locations:

- In the province of Cundimarca (where the capital, Bogotá, is situated), the ILO SCORE team assists SENA and the Association of Colombian Flower Exporters (ASOCOLFLORES) to offer SCORE training to flower farming enterprises in the province.
- In the Antioquia province (with the capital Medellín), SENA and the Science and Technology Centre Antioquia (CTA) offers the training to SMEs in the textiles sector.

To build on the positive results and progress of Phase I in Colombia, in 2014 SCORE training will be launched in Peru.

### SCORE in the context of ILO's wider objectives in Colombia

SCORE implementation in Colombia is linked to the Programme and Budget Country Outcome, COL 127, which focuses on the promotion of decent working conditions and increased productivity in SMEs in the floriculture and textile sectors. This Outcome specifically envisages the implementation of training programmes, such as SCORE, to foster the adoption of responsible and sustainable enterprise-level practice. (There is no Decent Work Country Programme in Colombia.)

### Key data on training activities in Phase I

- Number of SMEs trained: 35
- Number of staff members trained in the classroom: 207
  - 49% workers/51% managers
  - 62% women/38% men
- Number of trainers trained: 45
- Number of enterprise visits (Total): 132

### Profile

**Start date:** December 2010

**National Tripartite Advisory Committee:** Labour Ministry, Asociación Nacional de Empresarios de Colombia (ANDI), Confederación de Trabajadores de Colombia, Central Unitaria de Trabajadores, Confederación General del Trabajo

**Sectors:** Cut-flowers, textiles

**Geographical coverage:** Cundimarca province (Bogotá), Antioquia province (Medellín)

**Implementation partners:** Servicio Nacional de Aprendizaje (SENA), Technology Centre Antioquia (CTA), Colombian Association of Flower Exporters (ASOCOLFLORES)

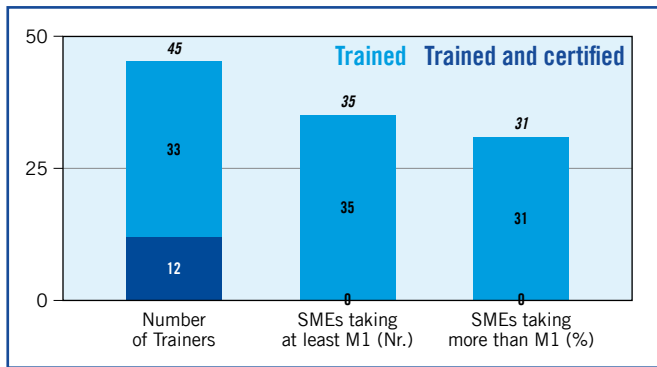


Figure 10. The number of trainers and SMEs trained in Colombia

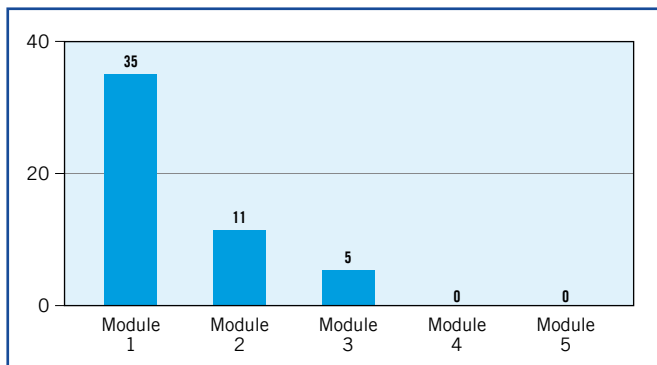


Figure 11. The number of SMEs trained per module in Colombia

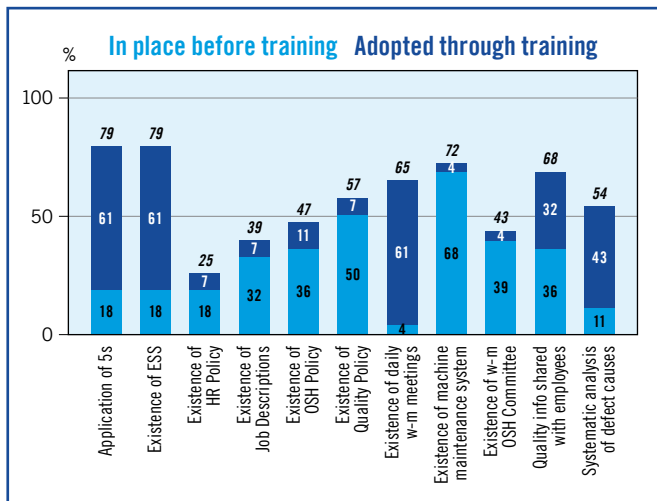


Figure 12. The percentage of SMEs in Colombia adopting good practices following the training

## Key training impacts at participating SMEs

To estimate the training impact, the project monitors key performance indicators (KPIs) in enterprises that participate in the programme:

- **Social dialogue at the enterprise level:** On average, per SME that reported data (28 out of 35), during the course of the training programme, Enterprise Improvement Teams consisting of workers and managers met three times per month to implement ten jointly identified improvement projects;
- **Defects:** 57% of enterprises reported reductions in defects (-42% on average);
- **Cost-savings:** 54% of enterprises reported cost-savings as a result of the training (177 US\$ on average);
- **Workers' complaints:** 24% of enterprises reported reductions in worker complaints;
- **Materials usage and waste:** 18% of enterprises reported reductions in materials usage and 14% reported reductions in the amount of waste produced.

The SCORE team also track qualitative improvements through case studies. Some examples of these are included later in this report.

The satisfaction rate with SCORE training in Colombia is 94%

## 3.3 SCORE in Ghana

SCORE training in Ghana is targeted towards SMEs in the manufacturing sector in the Accra-Tema metropolitan area. A number of national organizations and stakeholders have taken part in or observed SCORE training, including the Ghana Employers Association (GEA), the Ghana Trade Union Congress (GTUC), the Labour Inspectorate, the Empretec Ghana Foundation, and Legon University. However, the Association of Ghanaian Industries (AGI) has been especially engaged in the SCORE implementation process. This has led to the recent negotiation of a Memorandum of Understanding (MoU) with AGI, who will become the national implementing partner for ILO and plans to promote and deliver the SCORE program as part of its standard service offer to members.

### SCORE in the context of ILO's Decent Work Country Programme in Ghana

SCORE interventions in Ghana contribute to the DWCP, Priority 1, on increasing employment and decent work opportunities. They also contribute to the achievement of Outcome 4: SMEs are more sustainable through being cleaner, more productive and competitive and provide more sustainable and decent employment.

SCORE training is also linked to the Global and Budget Outcome GHA 103, on sustainable enterprises and the creation of productive and decent jobs.

### Key data on training activities in Phase I

- Number of Smash trained: 32
- Number of staff members trained in the classroom: 210
  - 63% workers/37% managers
  - 23% women/77% men
- Number of trainers trained: 17
- Number of enterprise visits conducted: 118

### Profile

**Start date:** December 2010

**National Tripartite Advisory Committee:** Ministry of Employment and Social Welfare (MESW), Ghana Employers Association (GEA), Ghana Trade Union Congress (GTUC), SECO

**Sectors:** Manufacturing sub-sectors

**Geographical coverage:** Accra, Tema

**SCORE training providers:** individual consultants

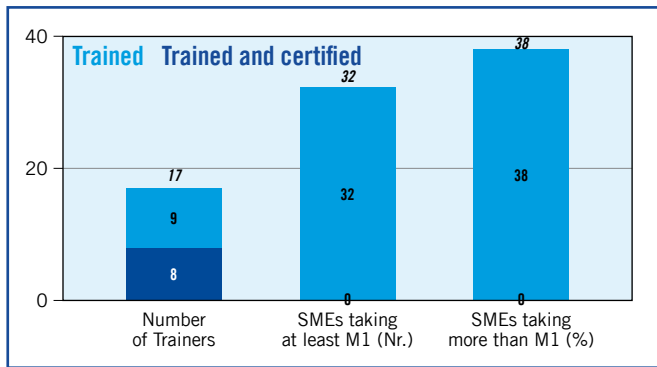


Figure 13. The number of trainers and SMEs trained in Ghana

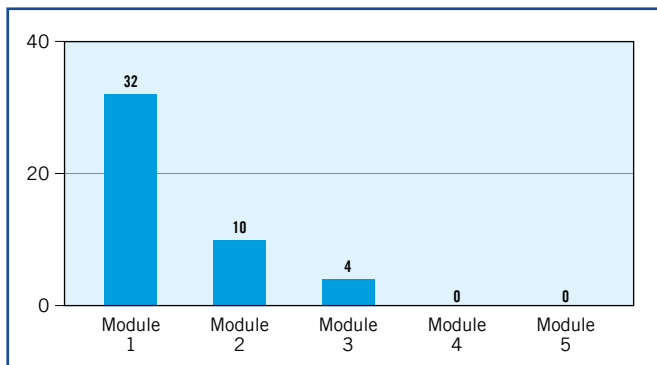


Figure 14. The number of SMEs trained per module in Ghana

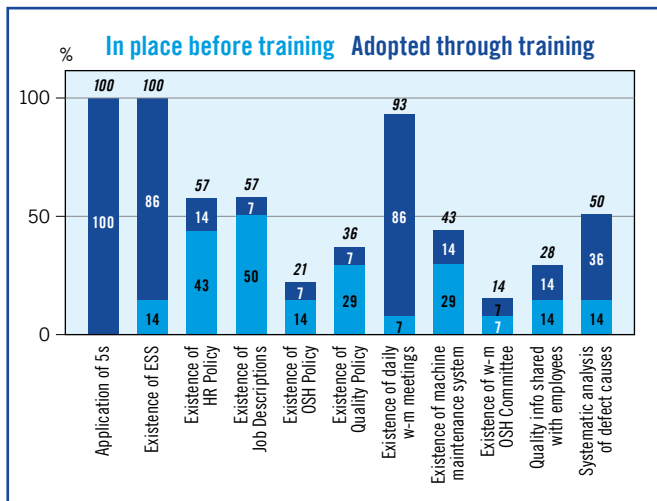


Figure 15. The percentage of SMEs in Ghana adopting good practices following SCORE training

## Key training impacts at participating SMEs

To estimate the training impact, the project monitors key performance indicators (KPIs) in enterprises that participate in the programme:

- **Social dialogue at the enterprise level:** On average, per SME that has reported data (12 out of 32), during the course of the training programme, Enterprise Improvement Teams consisting of managers and workers met three times per month to implement 37 jointly identified improvement projects;
- **Cost-savings:** 67 % of enterprises reported cost-savings as a result of the training (US\$941, on average);
- **Defects and energy consumption:** 25% of enterprises reported reductions in defects (-50%, on average) and reductions in energy consumption (-25% KWh per production unit, on average).

The programme also tracks qualitative improvements through case studies. Some examples of these are included later in this report.

**The satisfaction rate with SCORE training in Ghana is 86%**



# 3.4 SCORE in India

## Capacity building for sustainability in India

The first SCORE training on Module 1 was delivered in Faridabad, for enterprises in a former Factory Improvement Programme cluster. In 2011, following a request by the Ahmednagar Auto and Engineering Association (AAEA), the programme expanded its reach into Western India and, in September 2012, into the Ambattur Industrial Estates and Manufacturers Association Training Centre (AIEMATC) in Chennai.

SCORE in India is being promoted and delivered in line with a market-based implementation strategy. Substantive work is going into building the capacity of partners and associations to market and deliver the training programme to SMEs working in the auto- and machine-parts manufacturing and light engineering sector.

## Cooperation with the Ministry of Micro, Small and Medium Enterprises (MSME)

A negotiation is currently ongoing with the MSME, which could lead to the introduction of the SCORE training programme into ten MSME industrial clusters. If this goes ahead, the Lean Manufacturing Clean Production (LMCP) programme will bear the operating costs of SCORE training in the clusters

## SCORE in the context of ILO's Decent Work Country Programme in India

SCORE implementation in India contributes to the DWCP objective, Priority 1, CPO 103: Enterprise development programmes supported for creation of productive employment and decent work. It is specifically linked to the Programme and Budget Outcome 3: Sustainable enterprises create productive and decent work.

## Key data on training activities in Phase I

- Number of SMEs trained: 41
- Number of staff members trained in the classroom: 430
  - 34% workers/66% managers
  - 5% women/95% men
- Number of trainers trained: 33
- Number of enterprise visits conducted: 212

## Profile

**Start date:** December 2010

**National Tripartite Advisory Committee:** Ministry of Labour & Employment (MoLE), All India Employers Organization (AIOE), All India Trade Union Congress (AITUC), Indian National Trade Union Congress (INTUC), Hind Mazdoor Sabha (HMS), SECO, NORAD

**Sectors:** Automotive and machine parts manufacturing

**Geographical coverage:** Ahmednagar, Faridabad, Chennai

**Implementation partners:** Ahmednagar Auto & Engineering Association (AAEA), Estates and Manufacturers Association Training Centre (AIEMATC)



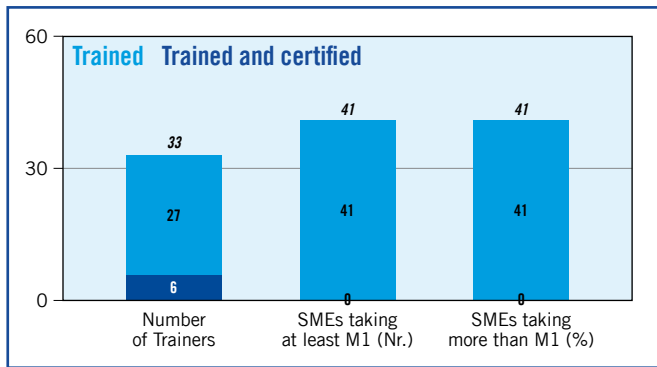


Figure 16. The number of trainers and SMEs trained in India

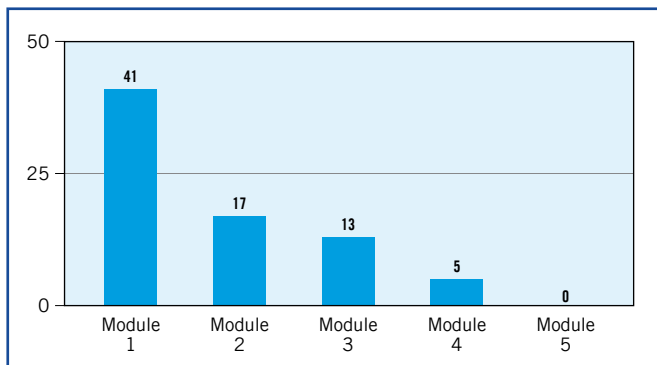


Figure 17. The number of SMEs trained per module in India

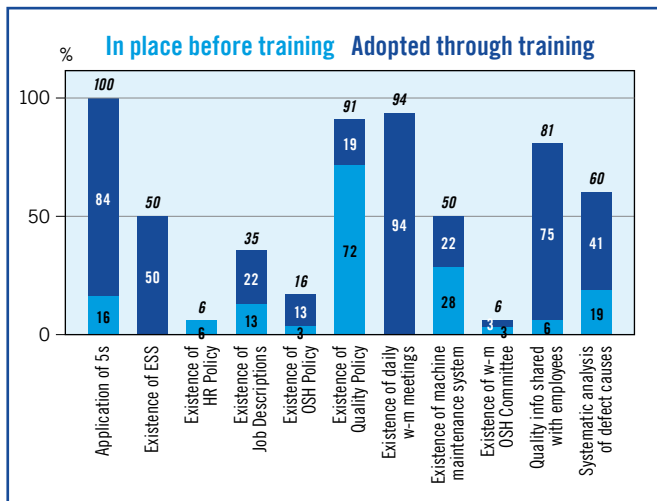


Figure 18. The percentage of SMEs in India adopting good practices following SCORE training

## Key training impacts at participating SMEs

To estimate the training impact, the project monitors key performance indicators (KPIs) in enterprises that participate in the programme:

- **Social dialogue at enterprise level:** On average, per SME that has reported data (26 out of 41), during the course of the training programme, Enterprise Improvement Teams consisting of workers and managers met three times per month and implemented 33 jointly identified improvement projects;
- **Defects:** 92% of enterprises reported reductions in defects (-32% on average);
- **Cost-savings:** 77% of enterprises reported cost-savings due to the training;
- **Workers' complaints and absenteeism:** 65% of enterprises reported reductions in workers' complaints and 58% reported reductions in absenteeism (-8% on average);
- **Energy consumption:** 54% of enterprises reported reductions in energy consumption (-6% KWh per production unit, on average).

The SCORE team also tracks qualitative improvements through case studies. Some examples of these are included later in this report.

The satisfaction rate with SCORE training in India is 84%



# 3.5 SCORE in Indonesia

## Extending the reach of SCORE in Indonesia through dynamic partnerships

In October 2009, SCORE implementation began in the automotive parts sector in Indonesia, a sector chosen following a study that highlighted its high employment and growth potential. A partnership for the delivery of SCORE training was soon established with the YDBA/Astra Foundation, a SME business development service provider in the sector. A little later (in 2010) the Ministry of Manpower and Transmigration (MoMT) also began to deliver SCORE training as an integrated part of the training portfolio of its regional productivity training centres. This cooperation with MoMT has since led to a broadening of the project's sectoral and geographical focus.

In addition to the above partnerships with national organizations, new enterprises have been attracted into the programme through global-level partnerships, building on connections with other ILO projects. For example, through links created with ILO's Better Work Programme (BWP), a number of suppliers of companies taking part in the BWP companies have referred their suppliers for SCORE training.

## Social marketing helps to drive key SCORE messages home

In October 2012, Indonesia was the pilot country for the first SCORE social marketing campaign, a part of the SCORE project strategy that will be expanded in Phase II. The campaigns aim to reinforce core SCORE messages and promote good workplace practices more widely (see *step d*, Figure 2).

## SCORE in the context of ILO's Decent Work Country Programme in Indonesia

SCORE implementation in Indonesia contributes to the DWCP objectives, Priority B, on creating sound industrial relations in the context of effective employment governance, and to Objective B.1: *Labour administration provides effective services to improve working conditions and the working environment*. It is also linked to the ILO Programme and Budget Outcome IDN 152: Government, employers and workers have a better capacity to engage in social dialogue and to monitor the application of labour regulations at the enterprise, and to prevent and handle labour disputes.

These before and after photos show how improved working conditions and work organization can contribute to increased productivity

### Profile

**Start date:** October 2009

**National Tripartite Advisory Committee:** Ministry of Manpower and transmigration (MoMT), Indonesian Employers Association (APINDO), Indonesian Trade Union Confederation (KSPI), Indonesian Prosperity Trade Union Confederation (KSBSI), All Indonesian Workers' Union Confederation Pasar Minggu (KSPSI Pasar Minggu), All Indonesian Workers' Union Confederation Kalibata (KEPIS Kalibata), SECO, NORAD

**Sectors:** Automotive parts, food and beverage production, medical appliances

**Geographical coverage:** Central Java, South Sulawesi, South East Sulawesi, Semarang

**Implementation partners:** MoMT, APINDO, Dharma Bhakti Astra Foundation (YDBA)



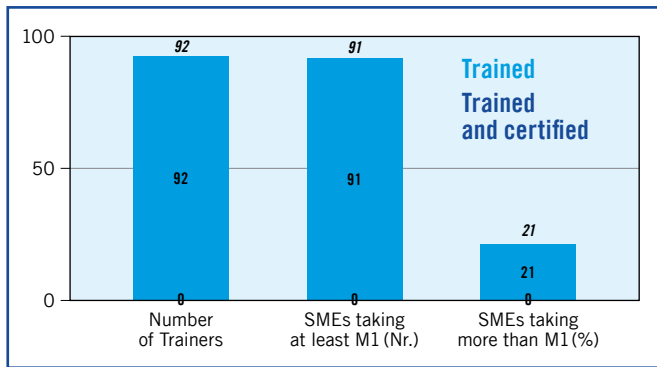


Figure 20. The number of trainers and SMEs trained in Indonesia

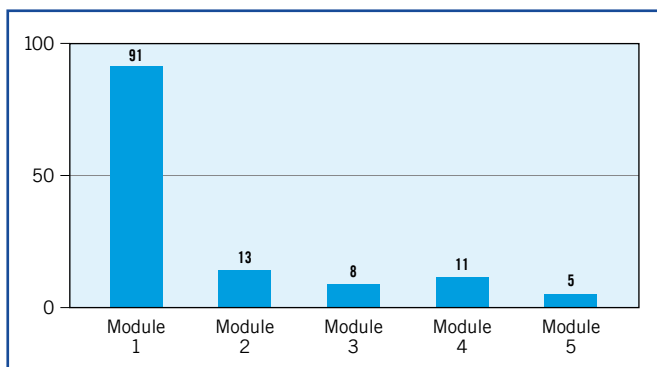


Figure 21. The number of SMEs trained per module in Indonesia

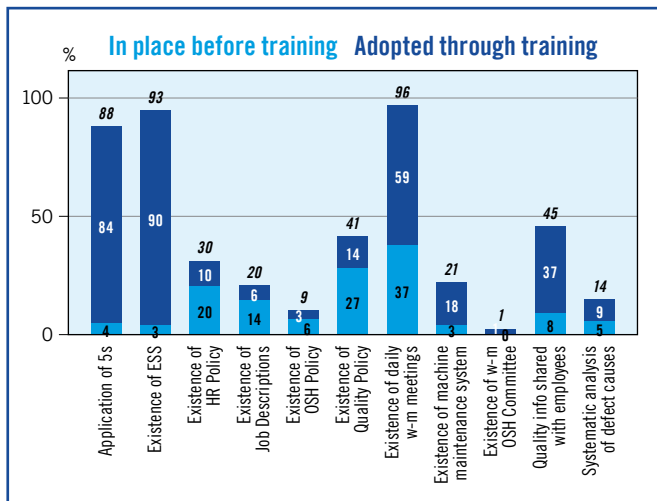


Figure 22. The percentage of SMEs in Indonesia adopting good practices following SCORE training



Figure 19. A Campaign poster, “Success Belongs to Everyone”. In post-campaign research, 86% of respondents reported being inspired by the campaign, with 46% saying they were motivated to change their behaviour by the campaign.

### Key data on training activities in Phase I

- Number of SMEs trained: 91
- Number of staff members trained in the classroom: 507
  - 56% workers/44% managers
  - 34% women/66% men
- Number of trainers trained: 92
- Number of enterprise visits conducted: 362

### Key training impacts at participating SMEs

To estimate the training impact, the project monitors key performance indicators (KPIs) in enterprises that participate in the programme:

- **Social dialogue at enterprise level:** On average, per SME that reported data (78 out of 91), during the course of the training programme, Enterprise Improvement Teams consisting of both workers and managers met three times per month to implement 8 jointly identified improvement projects;
- **Defects:** 56% of enterprises reported reductions in defects (–38% on average);
- **Materials usage and waste:** 47% of enterprises reported reductions in the usage of materials and 44% reported reductions in the waste produced;
- **Energy consumption:** 40% of enterprises reported reductions in energy consumption (–21% KWh per production unit on average).

The SCORE team also tracks qualitative improvements through case studies. Some examples of these are included later in this report.

**The satisfaction rate with SCORE training in Indonesia is 75%**

## 3.6 SCORE in South Africa

### Building institutional partnerships and engagement in South Africa

During Phase I, SCORE implementation in South Africa has been focussed on promoting and supporting the development of sustainable enterprises in the wildlife tourism sector. To ensure outreach and sustainability, the SCORE team has been working with key institutional stakeholders and service providers, such as the Southern African National Parks (SANPARKS), Productivity SA, and the Southern African Wildlife College (SAWC). The project has also co-operated with the South African National Department of Tourism (NDT), by linking SCORE training to their new standards on responsible tourism.

The ILO conducted an internal evaluation of the implementation of SCORE in South Africa between October and November 2012, with the report recording that, although progress in the first year of implementation was slowed by a number of obstacles, great strides had been made after this. Advances made included a realignment of activities, which has helped to bring about a more effective engagement by national constituents and created a solid foundation for sustainability.

### SCORE in the context of ILO's Decent Work Country Programme in South Africa

SCORE implementation in South Africa contributes to the DWCP objectives by increasing the opportunities for women and men to secure decent employment and income. It is also linked to the ILO Programme and Budget Outcome 3: Sustainable enterprises create productive and decent jobs.

### Key data on training activities in Phase I

- Number of SMEs trained: 25
- Number of staff members trained in the classroom: 151
  - 66% workers/34% managers
  - 53% women/47% men
- Number of trainers trained: 14
- Number of enterprise visits conducted: 79

### Profile

**Start date:** September 2009

**National Tripartite Advisory Committee:** National Department of Tourism (NDT), Business Unity South Africa (BUSA), South African Commercial, Catering and Allied Workers Union (SACCAWU), SECO, NORAD

**Sectors:** Wildlife tourism

**Geographical coverage:** Kruger National Park, Amakhala and Madikwe game resorts

**Implementation partners:** Productivity SA, Southern African Wildlife College (SAWC), NDT



At Woodbury Lodges in the Amakhala Game reserve, the introduction of white boards had a great impact on worker-manager communication and operational efficiency.

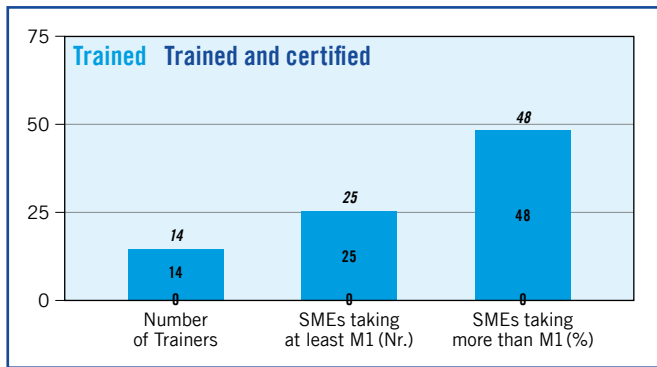


Figure 23. The number of trainers and SMEs trained in South Africa

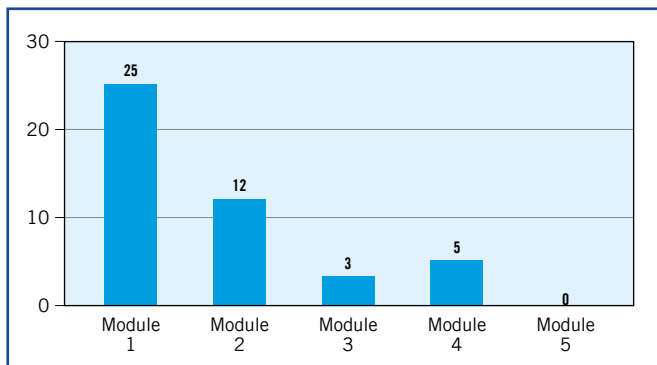


Figure 24. The number of SMEs trained per module in South Africa

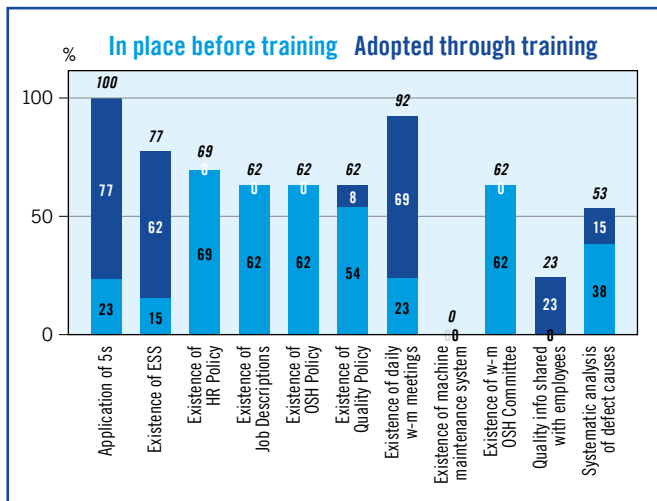


Figure 25. The percentage of SMEs in South Africa adopting good practices following SCORE training

## Key training impacts at participating SMEs

To estimate the training impact, the project monitors key performance indicators (KPIs) in enterprises that participate in the programme:

- **Social dialogue at enterprise level:** On average, per SME that reported data (12 out of 25), during the course of the training programme Enterprise Improvement Teams involving both workers and managers met 3 times per month to implement eight jointly identified improvement projects;
- **Wages:** 33% of enterprises reported increases in wages;
- **Cost-savings:** 17% of enterprises reported cost-savings due to the training.

The SCORE team also track qualitative improvements through case. Some examples of these are included later in this report.

**The satisfaction rate with SCORE training in South Africa is 79%**



## 3.7 SCORE in Viet Nam

Viet Nam was the last of the seven countries to start work on SCORE, beginning in 2011, but it has made significant progress in a short time. The training programme promotion and support in Viet Nam is subcontracted to the Viet Nam Chamber of Commerce (VCCI) in Hoh Chi Minh City, which was formerly an implementation partner in the former Factory Improvement Programme.

SCORE in Viet Nam is targeted towards SMEs in the Dong Nai wood furniture cluster and SME members of the Handicraft & Wood Industry Association (HAWA), and HAWA is cooperating with VCCI to ensure the provision of training and consulting service in the cluster.



### SCORE in the context of ILO's Decent Work Country Programme in Viet Nam

SCORE interventions in Viet Nam contribute to achieving an important DWCP aim: Increased productive employment and income. SCORE is also linked to the ILO Programme and Budget Outcome VNM103, which is focused on achieving improved competitiveness through the promotion of decent work in key economic sectors.

#### Key data on training activities in Phase I

- Number of SMEs trained: 30
- Number of staff members trained in the classroom: 161
  - 35% workers/65% managers
  - 16% women/84% men)
- Number of trainers trained: 14
- Number of enterprise visits conducted: 61

### Profile

**Start date:** August 2011

**National Tripartite Advisory Committee:** Viet Nam Chamber of Commerce and Industry (VCCI), Viet Nam General Confederation of Labour (VGCL), Ministry of labour, Invalids and Social Affairs (MoLISA)

**Sectors:** Wood-furniture manufacturing

**Geographical coverage:** Ho Chi Minh City, Dong Nai

**SCORE training providers:** VCCI



These before and after pictures show how improving the organization of stock can reduce the risk of accidents, reduce search times, and contribute to a better work environment.

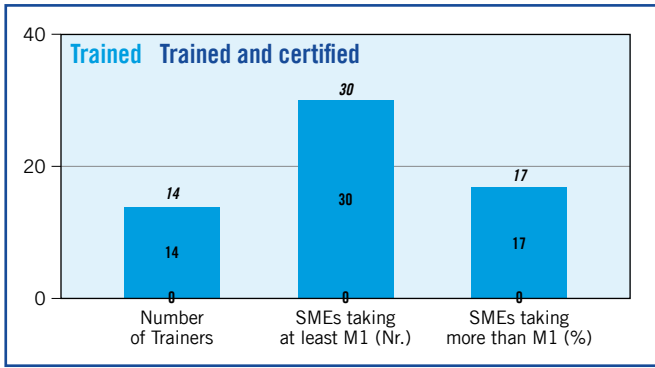


Figure 26. The number of trainers and SMEs trained in Viet Nam

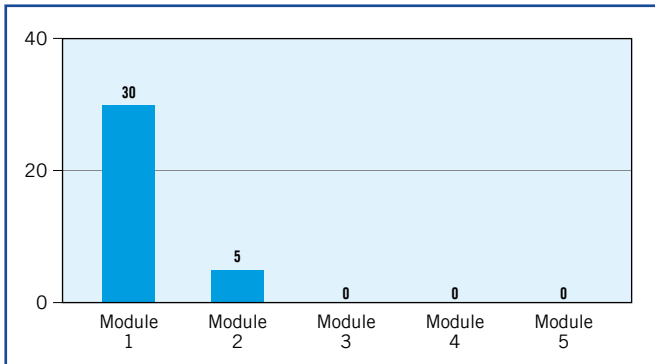


Figure 27. The number of SMEs trained per module in Viet Nam

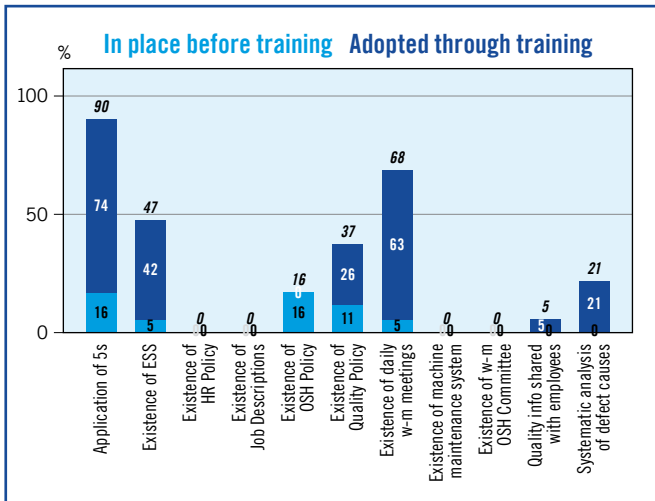


Figure 28. The percentage of SMEs in Viet Nam adopting good practices

## Key training impacts at participating SMEs

To estimate the training impact, the project monitors key performance indicators (KPIs) in enterprises that participate in the programme:

- **Social dialogue at the enterprise level:** On average, per SME that reported data (12 out of 30), during the course of the training programme, Enterprise Improvement Teams consisting of workers and managers met ten times per month to implement 18 jointly identified improvement projects;
- **Cost-savings:** 42% of enterprises reported cost-savings as a result of the training;
- **Defects.** 8% of enterprises reported reductions in defects.

The programme also tracks qualitative improvements through case studies. Some examples of these are included later in this report.

The satisfaction rate with SCORE training in Viet Nam is 100%

## **4. Lessons learnt during Phase I**

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## 4.1 Key lessons learnt during Phase I

Some important lessons from SCORE Phase I were captured in the project mid-term and final evaluation reports and these have informed Phase II planning. The key lessons identified are listed below.

### **i. SCORE training should be targeted at SMEs with 50–250 employees**

Experience has shown that enterprises with more than 250 employees often operate with a level of sophistication that reduces the benefit they can achieve through SCORE training. There is also considerable competition amongst private sector consulting service providers to attract these larger enterprises, reducing the need and space for SCORE. At the other end of the scale, enterprises with less than 50 employees can lack the capacity to absorb training content and often have minimal if any resources available to pay for training services.

### **ii. Working in geographical clusters increases peer-to-peer sharing and is logistically easier**

There are clear logistical, cost and networking benefits to be achieved if the SMEs participating in SCORE training are located close to one another. The early experience with SCORE in Ghana provided a clear lesson on the importance of such logistics and the resource implications these can have: initially SCORE was targeted to the food processing sector, but the geographical spread of enterprises made follow-up very time-consuming and effectively impractical. Perhaps equally importantly, it has become clear that close firm proximity promotes an informal peer-to-peer sharing of information during and after the training, which can help to sustain and extend the impact of the training.

### **iii. Module 1 must be completed first**

Only enterprises that have properly implemented Module 1, on workplace cooperation, should be able to proceed to take other modules. Module 1 facilitates fast, achievable and visible improvements that encourage participants to keep going and can be integrated into activities designed to promote later modules. Most importantly, Module 1 plants the seed of labour-management cooperation and leads to the establishment of the Enterprise Improvement Team, which is the foundation for success in all SCORE training. Bearing in mind its importance, Module 1 should also be regularly revisited as enterprises move to other modules.

### **iv. Combining in-class and on-site consulting ensures new knowledge is put into practice**

The structure of delivery each training module – normally a two-day classroom training followed by at least three consultation visits to participating enterprises – provides a good combination of classroom and learning-by-doing knowledge generation. The provision of two days of theoretical training is widely acknowledged as adequate.



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**v. The most critical training success factor is the quality of the trainers**

It has been found that many potential SCORE trainers, albeit that they have training experience, do not have the necessary expertise or ability to deliver the SCORE training and follow-up consultancy visits. A rigorous selection and certification process of trainers is, therefore, essential.

**vi. It is important to be careful when introducing SCORE in new countries**

The introduction of SCORE in new countries uses significant resources (both financial and staff time), particularly at a global level, and so must be considered carefully. A solid analysis of the market potential for SCORE, the level of existing training capacities, and the availability of willing training partners, is essential if the final goal of financially sustainable activities (without donor funding) is to be reached.

**vii. SMEs should pay for training – but fees are unlikely to cover all training costs**

Reaching financial sustainability is a major challenge. It is unlikely that 100% of programme costs can be recovered from SMEs. Studies comparing SME programmes in OECD countries show an average cost recovery rate of 30-50%, with the remainder being subsidized, in most cases by governments.

**viii. It is important to measure impact**

The development and delivery of SCORE training has only been possible due to donor support, and one of the reasons these donors have been willing to provide further funding for SCORE is the fact that ILO has put in place a sound system for monitoring the impact of SCORE at the enterprise level. However, there is more work to be done to make this system fully effective. Firstly, work is needed to improve the quality of the data submitted and recorded, which means making sure that the trainers who collect the data understand all aspects of the data collection and enterprise assessment process, so that they gather data in a consistent way from the baseline to the final assessment. Secondly, attention needs to be given to the use of terminology – to ensure consistency – and to adopting a clear document management system.

**ix. Targeted action is needed to achieve impact on gender-related issues**

Targeted activities in SCORE countries will help to promote awareness of gender issues and enhance gender equity. Simply mainstreaming gender as an issue within SCORE training is unlikely, on its own, to lead to visible or long term change.

**x. More knowledge sharing between countries is required**

Physical meetings between SCORE actors from different countries can be extremely useful for sharing experience and for ensuring the quality of project implementation. If the budget does not allow for this, virtual meetings can also be useful.

# **5. Highlights of the SCORE Phase II Proposal**

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## 5.1 SCORE Phase II Objective

National institutions are providing, independently from the ILO and donor funding, SCORE training to SMEs, to improve their working conditions, productivity, and competitiveness.

## 5.2 Deliverables

- 30 partner institutions embed SCORE training into their SME service portfolios;
- SCORE trainers train 800 SMEs, 3,200 workers and managers, on SCORE modules in eight countries;
- 75% of participants rate training and counseling as good or excellent;
- 30% of SMEs take additional modules;
- 80% of SMEs report costs savings, plus monthly reductions in absenteeism, employee turnover, defects, and waste;
- Social marketing campaigns effect positive change in attitudes among SME owners to workplace cooperation and working conditions, in collaboration with labour inspectorates;
- There is a change in attitudes among the target groups to workplace collaboration and competitiveness.

Priorities for Phase II will include continued support for national institutions to deliver SCORE training. Nationally, the pool of trainers and lead trainers will be built up and national sustainability frameworks will be developed around national Centres of Excellence. The search for the 'keeper of the SCORE flame' will continue, with the aim that responsibility for SCORE in each country be passed from ILO SCORE staff to national institutions during the final years of donor funding. Once Phase II is confirmed, National Programme Coordinators will be given support to develop country log frames and activity plans for the Phase II period.

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In Phase II, the following key activities will be pursued:

- A **market study** will be conducted to assess how and in what way SCORE corresponds to SME needs. This will address a number of questions:
  - How does SCORE complement existing training products?
  - How much do comparable training products cost?
  - What niche market does SCORE serve?
  - How does SCORE fit into the service portfolios of partner organizations?
- A **marketing strategy** will be developed in order to raise awareness of the SCORE product and increase demand and the willingness to pay for it. This will provide a strategy that partners can adopt when marketing the product, it will identify the marketing materials needed and determine key information needs.
- A **communication strategy** will be developed to help define how ILO and partners communicate programme progress and related good practices to a broader audience. This will identify targets for communication, provide guidance on communication content and propose cost-effective options.

It is also envisaged that ILO will:

- **Encourage collaborations** across projects/programmes;
- Increase the credibility and sustainability of SCORE training by **accrediting modules through national training systems**. This can provide a further motivation for participation, as well as bringing tax advantages.
- Explore the **potential to work with multinational enterprises (MNEs)**. In doing this, the Phase I experience of introducing SCORE training through MNE supply chains in China and Indonesia will provide valuable insights.
- Collaborate with national/local **Clean Production Centres**, where they exist.

## **6. SCORE enterprise case studies**

# SCORE China Case Study

## *The improvements keep rolling in as Multiplex Optoelectronic Technologies Ltd completes the full set of SCORE modules*

### The Workplace Challenge

Multiplex is a high-tech SME with a parent company that provides advanced equipment and technology, high quality managers and a structured management methodology. It holds a leading position in the market but, prior to joining SCORE, it was struggling with a number of human resource and workplace issues that managers were finding difficult to resolve:

- high staff turnover, aggravated by the isolated location of the company;
- poor workplace cooperation;
- the time-consuming nature of training for new workers, and its questionable effectiveness;
- a range of occupational safety and health problems.

### Creating change together

Multiplex was one of the first companies worldwide to complete training on all five SCORE modules, and their experience provides some insights into the rolling process of improvements that can be expected as enterprises progress through all of the modules. The following describes some of the key improvements made at Multiplex, as they moved from module to module.

#### Module 1

##### *Workplace Cooperation – A Foundation for Business Success*

A joint worker-manager Enterprise Improvement team (EIT) was quickly established (an essential first step in SCORE implementation) and the EIT's weekly meetings provided a forum at which difficult issues could be addressed jointly for the first time. The EIT served to kick-start the improvement process and, later, as the process gained momentum, it had a continuing role in driving the overall change process forward.

In the initial months, the EIT placed a focus on improving company information sharing, through such things as erecting two bulletin boards, updating the Employee Handbook. To enhance worker to management communication, an employee suggestion form was also introduced, with responses being posted on the bulletin boards.

Finally for Module 1, training on 5S, and its implementation, provided a welcome chance for every worker to become involved in creating improvements in their own work areas. The introduction of competitions between employee teams provided a further boost to engagement in the improvement process.

### Company Profile

**Name:** Multiplex Optoelectronic Technologies (Dalian) Co., Ltd. (Multiplex)

**Location:** Dalian Development Area, China

**Established:** 2006

**Current size:** 270 employees

**Products:** Active, high-speed optoelectronic devices, modules and subsystems

**Distinction:** An industry-leader, with a high-level research and development capacity and stable market share.

# SCORE China Case Study

## **Module 2**

### ***Quality – Managing continuous Improvement***

The company established Quality Control Circles (QCCs), which identified eight quality improvement projects. At the same time, each team on the production line met to analyze the causes of any manufacturing defects and jointly drew up clear and user-friendly machine operating instructions.

## **Module 3**

### ***Productivity through Cleaner production***

Multiplex implemented the learning in Module 3 in two main ways. Firstly, employees were trained in methods of using water, light, computer power, and other basic resources and raw materials more efficiently. This step was accompanied by the introduction of energy consumption and waste monitoring, including the gathering and regular analysis of usage data. A new policy on sorting and, where possible, recycling waste was also drawn up.

Separately, a review of the cleaning processes in the workplace led to the substitution of one product, isopropyl alcohol, with a less toxic substance, ethyl alcohol. This was an important step because it helped reduce the levels of contaminants in the workplace and in waste water.

## **Module 4**

### ***Workforce Management for Cooperation and Business Success***

When the company came to Module 4, one of their major focus points for improvement was training. They had previously found the cost and time involved in training workers was a major expense and they had equally struggled to maintain training quality. The SCORE training gave them the idea to use digital videos to present standard operating procedures and these are now used routinely for new employees. This has not only saved considerable training time, but has also reduced the risk that essential safety issues are forgotten by over-stretched training staff.

Amongst a number of other changes, regular employee satisfaction surveys have also been introduced, to ensure that concerns of employees are no longer left to fester.

## **Module 5**

### ***Safety and Health at Work – A platform for Productivity***

Prior to starting on Module 5, a number of occupational safety and health (OSH) related improvements had already been implemented in the enterprise, through the work of the EIT and Quality Circles. However, Module 5, addresses OSH in a systemic way. It helps enterprises to create an OSH culture in the workplace that ensures that risks and hazards are identified and addressed consistently, on a long term basis.

To implement change in this area, all employees received OSH training and a thorough hazard mapping process was conducted, leading to 36 hazards being identified. In addition, material safety data sheets (MSDS) were obtained from suppliers, and safety components were added to operating instructions. Finally, machine operators were given detailed guidance on the safe operation of their machines, capacitating them to act to ensure their own safety.

# SCORE China Case Study

## The Results

As a result of the SCORE intervention, Multiplex experienced all-round improvements in the company, with some of the highlights being:

- Employee participation in enterprise development substantially increased, leading to a flow of improvement suggestions from staff. A response was given to each of these and many were effectively implemented;
- The average monthly defect rate dropped from 9% to 7% in four months;
- Within four months, the qualifying rate for optical lens' and tubes exceeded the company target of 90%;
- The use of the new training videos combined with improved training methods led to a ten-day reduction in the training period for new staff;
- The employee satisfaction rate increased to 97%.
- The labour turnover rate was reduced and controlled within 5%, creating a more stable workforce and improving skill retention.

"SCORE has brought us many new concepts. Now, when we look at problems, we have new perspectives and find great room for improvement. "

**Mr Weng Yongguang, Deputy General Manager**

"We used to think that we were a high-tech company and we had good management system that could identify any major areas where improvements were needed. SCORE helped us broaden our view and to see how to continue to make improvements."

**Mr Wang He, Engineer**



The EIT looks for improvement areas in the workplace.

A bulletin board displays the 5S management system and procedures.





# SCORE Colombia Case Study

## *A sense of 'ownership' boosts productivity and pay at Creaciones y Confecciones Rico*

### Company Profile

**Name:** Creaciones y Confecciones Rico

**Location:** Medellín, Colombia

**Established:** 1980

**Size in 2012:** 110 employees

**Products:** Clothing garments, including export quality jeans, shorts and baby clothing

### The workplace challenge

Medellín is a city known for its industrial tradition, where textile sector coming to the fore during the 1930s, led by well-known companies such as Coltejer and Tejicondor. Since this time, the larger local companies have undergone a transformation, thereby ensuring their continuous contribution to the development of the city.

Medellín is now considered one of the most important cities in Latin America for textiles and fashion. Its textile enterprises also have an important place on the global stage and have developed a strong reputation for quality and excellent design.

Creaciones y Confecciones Rico (Creaciones), one of the first companies to take the SCORE training in Colombia, has always placed an importance on the social and cultural environment in the company. This focus includes a genuine interest in the quality of life of employees, as reflected in internal activities for employees that promote both the spiritual and social development.

Despite this positive approach to worker welfare, prior to joining the SCORE training, Creaciones had not significantly developed its management processes or organizational structure since its establishment. In fact, all its operations were centralized into the hands of the company's owner. To be competitive in the market global market, and meet continually increasing quality and production demands, managers realised that something had to change.

An initial visit to the enterprise identified a number of problems that SCORE training could help the company to address, particularly if it was willing to adopt



# SCORE Colombia Case Study

the 5S methodology introduced within SCORE 1, Workplace Cooperation: A Foundation for Business Success. The 5S approach encourages employees to take responsibility for their workstations by using all their senses and ingenuity to introduce, “classification, order, cleanliness, standardization, discipline and control.”

In addition to the above, it was clear that communication with employees needed to be improved, as the centralized style of information management and decision-making was not conducive to effective working.

## Creating change in the workplace

Creaciones were inspired into action by the SCORE Module 1 training, and keen to adopt the 5S approach from an early stage. This positive approach resulted in improvements in every part of the manufacturing processes, from the use of space and improvements in the lighting system, to the redistribution of the production system to cut the “travel time” of materials within the plant. Employees were instrumental in identifying and implementing all of these changes and also benefited directly from a number of them, including the cleaning and reorganization of employee lockers, bathrooms and coatrooms, and the creation of new changing rooms for men and women.

All of the above changes were complemented by improved goal setting and a concerted effort to keep staff informed of progress towards these goals. Some specific actions taken have included the introduction of Ícaro, a monthly bulletin, and the posting notices with daily updates on a staff notice board. The creation of a new suggestion that was especially well received: the first time the suggestion box was checked, 14 suggestions had been made, seven of which were approved and acted upon and five more were listed for follow up.

## The Results

This change in the physical environment, in the process design, and in the organizational culture at Creaciones, made a huge difference to the working lives of employees and to their reported levels of engagement and motivation. Within three months of starting on Module 1, all of the changes made fed through into the following improvements on the bottom line:

- The number of units produced increased by 17.9%
- Measured efficiency levels increased from 90% to 94%
- Energy costs per unit produced were reduced by 4%
- Worker bonuses increased by 20%

Results in Creaciones reflect the win-win scenario that SCORE promotes: a 17.9% increase in units produced, a 4% efficiency boost, and a 20% increase in employee bonuses.

# SCORE Ghana Case Study

## *Workplace Cooperation for Business Growth – The case of Multi-Pac Ghana Ltd*

### Company Profile

**Name:** Multi-Pac Ghana Limited (Multi-Pac)

**Location:** Heavy Industrial Area, Tema, Ghana

**Established:** September 2009

**Current size:** 115 employees

**Products:** Fruit juice, soft drinks and energy drinks

**Distinction:** Key Competitor for Coca-Cola branded drinks in Ghana

### The Workplace Challenge

Multi-Pac joined SCORE training with ambitious aims to improve on poor productivity figures and reduce the use of overtime, which had increased during their rapid expansion. The management had also identified a number of specific ‘physical’ workplace problems e.g. the spare parts’ store was full of dust and parts were scattered all over; the mechanical workshop was congested and unsafe.

As Mr Jaber, Managing Director at Multi-Pac, points out, “The ideas for improvement were there, but the challenge was how to implement them.” However, some problems – such as dirty, leaking, washrooms – although evident, had gone unnoticed, and it was evident that these were sapping employee morale. This may be one of the reasons why managers did not receive a positive response from employees when they pushed for productivity increases.

Like many busy SMEs, Multi-Pac’s managers were fully occupied ‘fire fighting’ problems, so committing time to SCORE was a significant step.

### Creating change in the workplace

The most significant breakthrough that the company experienced during the training period was managers’ realisation that one key factor was blocking progress on all fronts: poor manager-worker communication.

In the past, when problems had arisen in the workplace, fingers would be pointed and a blame game would ensue: working together to solve problems was not on the agenda. The creation of a joint manager-worker Enterprise Improvement Team (EIT) quickly helped to change this. Through regular meetings, a series of problems were gradually identified and tackled, including everything from systematizing the raw material warehouses to refurbishing the washrooms.

Ms Eunice Alogbey, like most other employees of Multi-Pac, has noticed the difference and points to the new atmosphere in the workplace that she has experienced. “Colleagues now greet each other in a friendly way and workers are

“The working environment is now cordial, all colleagues greet each other very well and workers are respected by the management.”

**Quality control supervisor and EIT secretary**

“We had some ideas for improvement before we were introduced to SCORE, but implementing them was a challenge. I am happy that, through the SCORE project, they have taken a plan, developed it, and are using it on the ground, thus paving the way for the progress I wanted. We cannot be at 100%, but if workers and managers go step-by-step together..., the company will continuously do better over time.”

**Mr Hassan Jaber, Managing Director, Multi-Pac Ghana Ltd.**

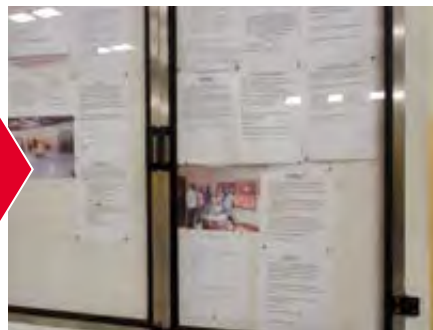
# SCORE Ghana Case Study

respected by managers”, she notes. Mr Jaber is equally pleased with this new openness and sums up the way the mood for change has built up, saying, “Suddenly, employees and managers were cooperating and using ideas on the ground, paving the way for the progress I wanted.”

## The Results

The changes implemented at Multi-Pac led to an all-round change in the working environment which has been felt by all. Of course, the management is particularly pleased that improvements in workers’ satisfaction and motivation have been matched by improvements in productivity and performance. Some notable improvements have included:

- The retrieval time for any spare part is now under 15 seconds;
- The defect rate has been reduced by 38%;
- The factory floor and warehouses are now tidy, organized, and clean;
- Regular 5S audits are carried out and scores are posted on the notice boards, thus generating friendly competition between teams.



*Before:* This notice board was not maintained or used.

*After:* An upgraded notice board is put to good use, providing up-to-date information for employees.



*Before:* Cluttered and disorganized stockroom.

*After:* Organized parts store where parts are easy to retrieve.



*Before:* Boxes of parts scattered around the storage area.

*After:* Boxes are placed on shelves and labelled, so that parts are easy to find.



# SCORE India Case Study

## *The Enterprise Improvement Team of Tej Industries pulls money out of the Air*

### Company Profile

**Name:** Tej Industries

**Location:** Ahmednagar, Maharashtra state, India

**Established:** 2005

**Current size:** 60 employees

**Products:** Manufacturer of machined component, such as pistons, nuts, and shafts



### The workplace challenge

Tej Industries has grown at speed, from its establishment in 2005 into a company with a turnover of about US\$1.85 Million in 2012. In many ways this is not surprising. The management was ambitious from day one, with a clear objective to become a preferred supplier for leading global original equipment manufacturers (OEMs).

Although this growth is positive, the progress was almost been too fast for the company to keep up with: it did not find the opportunity to develop a clear roadmap, setting out where the company was going or how it could sustain business and growth in the long term. So, when the company learnt about SCORE from Ahmednagar Auto and Engineering Association (AAEA), the relevant, cluster-level industry association, it was keen to come on board.

The company began its first SCORE training in November 2011, and subsequently took SCORE Modules 1, 2 and 3, improving both its practices and the workplace environment in innumerable ways as it progressed through the modules. This case study focuses on one particularly important improvement, which came about as a result of SCORE Module 3 – Productivity through Cleaner Production.

### Creating change in the workplace

Prior to following the Module 3 training in November 2012, the company was conscious that its energy use was high and the rising price of energy, together with fluctuations in energy availability, were increasingly a key determinant of its prices and, therefore, its competitiveness.

When the company joined SCORE Module 3 training, it already had a strong Enterprise Improvement Team (EIT) established and ready to act of new learning. As soon as they learnt in the classroom training about ways to conserve energy, the EIT decided to analyze the volume of energy use and the patterns of use at their workplace. To do this, section teams were formed, comprising supervisors and operators for each production section, and training was provided to them on “utility mapping”: the mapping of all the points of energy use.

When the maps were created and studied during the weekly EIT meeting, it was noted that the two air compressors in the workplace, to which all machines are connected (such as computer numerically controlled machines and a vertical machining centre) were using a large amount of energy. These compressors were critical to all production processes, which meant they had to run all day. Even so, the usage seemed high.

To clarify the situation, the EIT installed energy meters that could measure and monitor the compressors’ energy usage and, in order to create a baseline, they took a first reading during their thirty-minute lunch break, when air compressors are placed on standby. To their surprise, EIT members observed that the two compressors were continuing to follow on and off cycles during this period, consuming 0.9 and 0.5 units respectively. This was a signal that an air leakage was occurring from the compressors.

# SCORE India Case Study

Since the two compressors were running 24 hours a day, the EIT estimated that approximately 67 units of power were being wasted each day due to these leakages. A subsequent systematic checking of the air piping system in the two compressors revealed 19 leakages and some missing/ malfunctioning components. The team also discovered leakages through pipes, joints, valves and air guns and that the air was also being misused for the cleaning of cloths and floor.

All of the leakages were soon plugged or, where necessary, pipes, parts, and gaskets were replaced. During the daily line meetings the operators also agreed to check on any misuse of compressed air by fellow operators. To encourage the employees to strive for further energy-saving practices, energy saving was also chosen as the theme for an employee suggestion scheme and, within two months, Tej had received more than 30 suggestions from employees on further ways to reduce energy consumption.

## The results

After removing most of the air leakages, the energy consumption of the compressors dropped from the earlier 2.8 to 1.0 unit per hour: from 67 units per day to 24 units per day. This meant a saving of 43 units of power every day, at a cost of approximately 300 Rupee's (Rs) per day. Tej had spent approximately Rs. 10,000 on the repairs and on the installation of new energy meters, but was able to recover this amount in less than two months.

The results from Module 3 can be summarised as follows:

- The company energy bill reduced by 30% within 4 months;
- There is an ongoing average monthly saving of Rs. 5,250, from the reductions in its power usage;
- Power consumption was reduced from an average of 0.44 KWh (kilo watt hour) per production unit in November 2012 to 0.25 KWh per production unit in February 2013;
- The monthly energy bill was reduced from US\$ 5,234 in November 2012 to US\$ 3607 in February 2013;
- A system of energy use monitoring has been introduced, including monthly trend charts.

"I now take reading of power consumption of Compressors every day. Watching the reduction in our power consumption has given me and my team a lot of satisfaction. "

Mr Sridhar Shinde, Quality Inspector, Tej Industries



Air leakages plugged



At work in Tej Industries

# SCORE Indonesia Case Study

## *Managing growth through improved workplace cooperation – The case of PT Laksana*

### Company Profile

**Name:** PT Laksana Teknik Makmur

**Location:** Cibubur, Bogor, Indonesia

**Established:** 1998 (5 employees)

**Size in 2012:** 200 employees

**Products:** More than 600 types of automotive accessories (door handles, roof rails and tank covers, front grills, mufflers, roll bars, bumper corners etc.)

**Distinction:** One of the main suppliers of Astra and other automotive groups

### The Workplace Challenge

Company Director, Mr H. Suwarno, PT Laksana explains why he was drawn to SCORE: “I was looking for a training programme that would help us to address our challenges and become more competitive.” He had heard about SCORE from the company’s main buyer, Astra Automotives, and felt it would meet the company’s needs.

The company had grown quite quickly from five to 200 employees, which meant it needed a more formal structure and clearer management systems. A middle-management layer had been introduced, but this had created problems with the communication flow between workers and management. The situation was aggravated by the fact that workers and managers rarely met. When they did, the communication process was one way: from managers to workers. The employees had no voice in how work was organized and had particularly significant concerns over occupational safety and health (OSH). Despite the fact that OSH issues were contributing to increased sickness and work absences, there had been no meaningful discussions about these.

Many of the OSH problems in the company arose from unhealthy work systems and practices. For example, the finishing of products involved spraying them, but there was no spraying room, so paint dust was contaminating much of the working environment. The effects of this contamination were exacerbated by inadequate access to, or use of, safety gear, which left employees exposed to risks.

### Creating change in the workplace

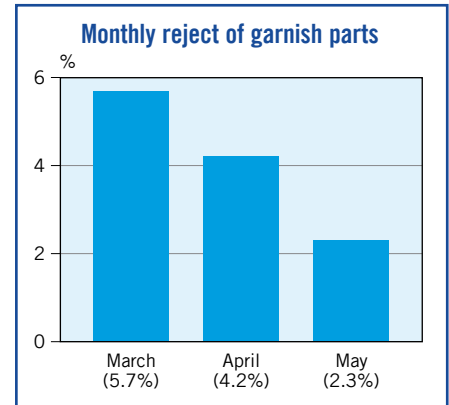
Following SCORE training, PT Laksana quickly established an Enterprise Improvement Team (EIT), consisting of three managers and five workers. This was quite a revolutionary step for the company, which had not previously had a collaborative forum of any kind. EIT meetings created the opportunity needed for OSH and other issues to be aired and for solutions to be found that would benefit the company and the employees. These meetings became, therefore, the springboard for all of the improvements that followed and for a culture change in the company.

The main changes implemented at the company focused on communication and workplace organization. To improve the two-way flow of information and help address product quality and customer service issues, they introduced daily and weekly team meetings: a five-minute morning briefing for each production unit, where they could run through production targets, customer needs and events that employees needed to be aware of. In addition, a weekly meeting was introduced – every Saturday morning – involving the whole staff group. This meeting now begins with a morning exercise session for employees and management. After this, there are announcements about company activities. Importantly, this meeting provides a chance for managers to respond to ideas or concerns that workers have, on anything from OSH to company benefits.

# SCORE Indonesia Case Study

Finally, to complete the new open communication system, a notice board was erected. Relevant information from both the management and workers is now routinely posted here, including information on production growth, improvements made and records of achievements.

In relation to the work environment, the combined inputs of employees and managers led to a significant improvement in the workspace organization, driven by newly established work teams. One of the actions taken by the teams was to rearrange the machines to create a smooth production flow, to avoid past bottlenecks in the production process. Another important change was introduced to the storage system for raw materials and final goods: a colour coding is now used to differentiate work-in-progress and rejected items, making the job of production staff members easier. As explained by Mr Agung Nugraha, a member of the production team, “The good storage management system has helped me to locate the correct items quickly, calculate the amount of goods easily and control the inventory effectively.”



## The Results

The changes implemented at PT Laksana led to concrete benefits for the company and its employees. In particular:

- Defect rates decreased from 5% to 2% within three months;
- Health and safety has become the high priority at the company;
- OSH signs are now posted around the working area;
- Special cubicles have been built as spraying rooms;
- Personal protective equipment is (masks, goggles, gloves) are now fully accessible for employees;
- The company has now extended health benefits to workers' families;
- An improved dining area and better changing facilities have been provided.



*Before:* Cluttered and disorganized production area, surrounded by scattered parts and materials.



*After:* Clean and tidy production area with proper built-in racks to store part and materials, as well as the usage of yellow lines to divide work sections.



# SCORE Indonesia Case Study

Although not easily measurable, employees and managers alike have reported an overall change in attitude and atmosphere in the company since the SCORE training. The working environment is friendlier: as one employee remarks, “all colleagues now greet each other by their first names”. Another person points to the fact that workers are now regularly consulted and feel more motivated to contribute their ideas. Mr Suwarno, the Director, feels that the team work promoted through SCORE has brought also brought significant benefits: “With all the positive changes following the SCORE training, our team work has strengthened and the workers’ job satisfaction and motivation has increased. We will continue our efforts to improve not only the working conditions but also the welfare of our employees.”

“Improvements are not expensive or a burden, but a long-term investment that benefits the company by increasing productivity and profit and improving the products we make. PT Laksana has to continue growing to remain relevant. With the help we received from SCORE, we are now able to extend our working spaces and our market and, next year, we plan to start exporting our products to ASEAN countries and the Middle East.”

**Mr H. Suwarno, Director, PT Laksana**

# SCORE South Africa Case Study

## *The power of suggestion: bringing fresh vegetables and improved medical care to workers at Shimuwini Bush Camp*

### The workplace challenge

The South African National Parks (SANParks) was established in 1926 as a custodian of parks and conservation areas in South Africa and currently manages over 3.7 million hectares of land divided across 21 parks, one of which is the Kruger National Park (KNP). Shimuwini Bush Camp is situated in a very isolated spot in the Northern Region (Nxanatseni) of the Park and is one of the smallest camps.

Tackling the workplace challenges in small and isolated camps such as this, may seem insignificant in comparison with tackling the problems in large industrial clusters. However, the parks offer an unrivalled experience for tourists and so they attract a large number of guests. As a result, they bring much needed revenue into the South African economy and, more specifically, into rural areas. Due to the shortage of employment opportunities in these areas, the success of such camps can be disproportionately important to the development of communities in their area.

If asked, the managers of many of the lodges in the KNP would probably report similar workplace challenges, including controlling overheads, improving employee performance and reducing the level of guest complaints. However, their insights into the root cause of these problems, or how to address them, are generally low. Shimuwini is no exception to this. According to the Duty Manager, Portia Ndlovu, before the SCORE Training one of the major challenges he was experiencing was a constant plague of guest complaints. These complaints were mainly about low quality of service by staff, e.g. not being friendly and helpful to guests. His hope in joining the SCORE programme was that he would discover effective ways to overcome these problems.

### Creating change in the workplace

Action on a simple proposal by the newly formed Enterprise Improvement Team (EIT), helped to achieve the company's goal. A suggestion box was set up and employees were encouraged to use it, "to write down the important things that needed to be addressed." Employees were told they could do this anonymously, if they felt sensitive about making suggestions or the subject matter was uncomfortable to talk about. All of the suggestions put in the box were read and jointly discussed every Monday during camp's meetings and merely the fact that people were having their ideas heard, and that some were put into practice, was seen to have a positive impact on morale. However, two specific suggestions from the box were directly impactful.

The first of these suggestions concerned medical provision at the camp. Being very remote, the camp was not included as one of the stops for the mobile health clinic, which visited other camps on a monthly basis. This made it difficult for employees to get treatment, adding to both dissatisfaction and, most probably, prolonged sicknesses and prolonged absences from work. It also resulted in many uncoordinated trips by employees, who would have to travel the long distances to town to receive any health care.

### Company Profile

**Name:** Shimuwini Bush Camp

**Location:** Between the Phalaborwa Gate and Mopani Rest Camp, in the Kruger National Park

**Size in 2012:** 15 employees

**Products:** Hotel, food and tourism

# SCORE South Africa Case Study

The suggestion placed in the box was that a letter be written to request that the Mobile Clinic add Shimuwini as one of their stops. This suggestion was taken forward and, within six weeks, the mobile clinic had added the camp to its route. Although the service provided by the clinic was not perfect, it made a real difference to the attitude of workers towards working at the camp, as it gave them the possibility to access monthly health services at their own workstations in same way as workers at larger camps.

The second suggestion raised concern over the difficulty that everyone at the camp (employees and guests) had obtaining fresh vegetables. For staff, this was a cost and health issue, as well as affecting their enjoyment of meals. It was also a significant issue for guests, as Shimuwini is a self-catering camp. Instead of making trips to town to buy vegetables, the suggestion was that permission be given to establish a vegetable garden in the staff village. This was approved and the garden was soon planted, producing fresh and basic vegetables, such as onions, tomatoes and cabbage, in the camp's own backyard.

The fact that managers acted on the workers' suggestions boosted trust between workers and managers significantly. Eventually, as a result of this and a number of other changes, the camp began to see a decrease in guests' complains and this success was recognized by the Regional Awards Committee, with Shimuwini Bush camp being named as Bush Camp of the Year for 2012.

“The greatest challenge we came across while establishing the suggestion box was some of the employees couldn't write. They were so motivated irrespectively of their illiteracy and wanted to put their ideas forward so they got helped with writing their suggestions down.”

**Duty Manager, Portia Ndlovu**



# SCORE Viet Nam Case Study

## *Promotional campaign boosts productivity at Polytech*

### The workplace challenge

Polytech Co., Ltd. was founded by an enthusiastic scientist, and the special manufacturing technique the company uses for its wood floor products are part of what gives the company a competitive advantage over many rivals. As Polytech has grown, it has adopted a structured management system, developed a strong product portfolio, and had considerable success entering a number of foreign markets. However, despite all of these positives, managers at Polytech Co. Ltd knew the company was not working to its full potential and this was the driver for joining the SCORE programme in March 2012.

Whereas many enterprises do not recognise the importance of worker engagement in the company, Polytech is the exception. Managers felt strongly that if workers could be persuaded to take more ‘ownership’ of their own work and to be more proactive about proposing improvements in processes, the company could become more efficient and sustainable, as well as benefiting in other ways from increased worker engagement. Their hope was that SCORE training would help them to achieve this change.

### Creating change together

As a sign of the company’s commitment to change, Ms. Nguyen Lan Anh, Deputy Director of the company, took a leading role in the joint worker-manager Enterprise Improvement Team (EIT), which was formed prior to the classroom training. In addition to identifying areas for improvement themselves, the EIT members decided to get everyone involved in the improvement process as quickly as possible. So, they dedicated some of their energies to a promotional ‘campaign’ to encourage workers and managers to share improvement ideas. The campaign

### Company Profile

**Name:** Polytech Co., Ltd

**Established:** 1992

**Number of employees:** 53  
(42% female)

**Products:** Wooden floor manufacturing for both domestic and export market



EIT of Polytech Co., Ltd.



# SCORE Viet Nam Case Study

paid particular attention to engaging line workers, who are intimately familiar with the processes they work and knew what worked well and what did not. Gaining access to their insights was, therefore, highly important. As part of the campaign, a communication channel was set up through which workers and managers could informally exchange ideas and clear information was shared on the procedure that would be followed when processing the ideas and when choosing those to be acted upon. As an incentive to all, awards were given to those whose ideas were taken forward. They also received rewards and were publicly praised by Company Directors.

## The results

Within eight weeks of beginning the promotional campaign, Polytech had received a huge number of improvement ideas. Ten of these were selected to be implemented and were later judged to have contributed to an increase in production efficiency at the company, as the following data shows:

- 15% increase in productivity of raw material processing
- 40% decrease in the searching time in the chemical warehouse
- 30% increase in productivity in Packaging

Encouraging employees to share their improvement ideas is now standard practice at Polytech and is recognised by managers and workers alike to have strengthened worker engagement and motivation, and created a foundation for a more sustainable future. Having heard about the company's impressive improvements, in October 2012, the Swiss Ambassador, H.E. Jean-Jacques Elmiger, visited the workplace and publicly praised all at the company for their joint success.



Visit of SECO's Ambassador  
H.E. Jean-Jacques Elmiger

**Sustaining Competitive and Responsible Enterprises (SCORE)** is a practical training and in-factory counselling programme that improves productivity and working conditions in small and medium enterprises (SMEs). The training consists of five modules covering workplace cooperation, quality management, clean production, human resource management, and occupational health and safety. They demonstrate best international practice in the manufacturing and service sectors and help SMEs to participate in global supply chains.

With the support of the Governments of Switzerland and Norway, the ILO is assisting government agencies, training providers, industry associations and trade unions in emerging economies in Africa, Asia and Latin America to offer SCORE training to enterprises.

For more information about SCORE go to:  
<http://www.ilo.org/empent/Projects/score/lang--en/index.htm>

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