INFLUENCE OF POLITICAL AND SOCIO-CULTURAL ENVIRONMENTS ON HEALTH AND SAFETY MANAGEMENT WITHIN SMES: A GHANA CASE STUDY

Nongiba A. Kheni, Andrew R.J. Dainty and Alistair G.F. Gibb

Department of Civil and Building Engineering, Loughborough University, Leicestershire LE11 3TU, UK

Construction plays a major role in the economies of developed and developing countries. Sadly, it is also a major contributor to the occupational accident and ill-health statistics. This paper explores the environments within which SMEs manage health and safety in developing countries, in this case, Ghana. The majority of construction businesses are small and medium-sized enterprises and their capacity to manage health and safety depends on an enabling policy and cultural environments. Typically, workers are not trained in health and safety and there is little investment in health and safety management by owner/managers. The results suggest the extended family system and collectivist value systems have tremendous impact on the management of health and safety. The institutional structure has made little impact on health and safety attitudes and behaviours of owner/managers. Recommendations for improving health and safety on construction sites in Ghana are suggested which draw upon values which could promote enabling environment for the adoption good practice by SMEs.

Keywords: culture, developing countries, Ghana, health and safety, SMEs.

INTRODUCTION

Construction accounts for 7% of employment but contributes 30-40% of the fatal accidents in the world’s occupational setting (International Labour Organization (ILO) 2005). The situation in developing countries is particularly worrying due to lack of concerted efforts by policy makers to stem occupational accidents and illnesses. Ghana’s construction industry employs 1.4% of the country’s workforce but contributed 14% of occupational fatalities in 2000 (Kheni et al. 2006). The nature of the industry in developing countries compounds the problem of health and safety. Interestingly, construction contributes significant employment to the labour force of developing countries and plays a vital role in the provision of infrastructure. Construction businesses in many developing countries, particularly Sub-Saharan Africa have no sufficient capacity to enable them compete effectively in the international market or undertake large and complex development schemes. This, coupled with an undeveloped local construction materials base, enabling technology and low foreign earnings, explains the continuing dominance of foreign contractors in developing countries in large and complex engineering schemes. The majority of indigenous construction businesses in developing countries, such as Ghana, are SMEs.
operating within the domestic market (Koehn et al. 1995; Kheni et al. 2006). Whereas foreign contractors operating in developing countries effectively manage health and safety, indigenous construction businesses have no effective arrangements in place for controlling health and safety risks.

Health and safety standards on sites are rarely enforced to the letter by Government agencies or departments due to lack of resources for enforcement and lack of enabling environment which promotes occupational health and safety. This paper is part of a research currently undertaken in Ghana. The purpose is to: explore the health and safety management practices of construction SMEs; examine the main influences, political, institutional and socio-cultural, on health and safety management within construction SMEs; identify factors limiting the capacity of Ghanaian SMEs to manage their operations in a safe and healthy manner; and make recommendations for improving health and safety management in Ghana. The core stakeholders of the research include: the Ministry of Manpower Development and Labour; contractors’ associations; and the Construction and Building Materials Workers’ Union. This is the second phase of the research which involved semi-structured face-to-face interviews of owner/managers of construction SMEs and key health and safety informants.

HEALTH AND SAFETY MANAGEMENT IN DEVELOPING COUNTRIES

Health and safety management in developing countries is based on the existence of regulatory frameworks requiring workplaces to be safe and institutional structures to enforce the law. Employers are required to ensure their workplaces are free of hazards injurious to the health of their workers and other persons whose health may be adversely affected by the operations of the business.

Implementation of health and safety legislation in developing countries

Most developing countries have inherited health and safety legislation from developed nations such as the UK, being at one time ruled as a Crown colony. In the course of time however, these occupational health and safety laws in most developing countries have not been brought up to date to reflect increasing industrialization. Suazo and Jaselskis (1993) in a comparative study of the health and safety codes of USA and Honduras found that the coverage of the code in the latter country was limited and civil penalties imposed on contractors for flouting regulations were not large enough to deter potential offenders of the law. Much emphasis has been put of the weak institutional structure for implementing health and safety. Koehn et al. (1995) have noted that, in India, laws protecting workers may not be strictly enforced. There is the need therefore to make health, safety and welfare laws work in the developing country context (Cotton et al. 2005).

Health and safety problems in developing countries

Employers in developing countries have the responsibility for taking measures to control health and safety risks at work. This has however proved a daunting task for many employers, particularly in owner/managers of construction SMEs. Apart from the fact that the peculiar characteristics of the industry makes the risks of accidents and ill-health very high, the organization of work and physical conditions in developing countries heighten the health and safety problems. Unlike developed countries, construction in developing countries is labour intensive involving more persons being exposed to health and safety hazards. Knowledge and awareness of
hazards is poor, mainly because of poor education on hazards on construction sites and lack of concerted efforts to implement preventive measures. Gibb and Bust (2006) point out that poor infrastructure, extreme climatic conditions and inappropriate work practices negatively impact on health and safety management. State bureaucracy and corrupt public officials make it very difficult to manage health and safety effectively. The prevalence of communicable diseases such as malaria, hepatitis, viral and bacterial infections also add to health and safety problems on construction sites.

Any attempt at devising an answer to the health and safety problems in developing countries is bound to fail if the influence of the political, economic, and socio-cultural environment is not well understood. It can be argued that, problems in health and safety management in construction businesses in developing countries cannot be considered in isolation of the external environments within which workplace practices are embedded. Developing countries need to develop their own technologies taking into consideration their national setting or adapt foreign technology to suit their environment. Thus, research should focus on the socio-cultural environment of developing countries if strategies aimed at improving work practices are to be successful. Kuada (1994) points to the importance of considering the cultural environment of developing countries when he refers to the cultural milieu as a determinant to the successful transfer of managerial skills and knowledge to developing countries. In a similar vein, it may be argued that health and safety research needs to focus on the socio-cultural environment of businesses as well as the businesses themselves in developing countries. Nuwayhid (2004) has argued that health and safety research in developing countries should focus more on the social context of businesses than the businesses themselves. For the same reason, development programmes in many developing countries have failed to produce the desired impact. Rwelamila et al. (1999), in a study of poor project performance in Southern African Countries, found that failure to consider culture in procurement is a main contributory factor.

The influence of culture on organizational practices

Given the importance of the external environment of businesses in developing countries, research into health and safety should focus more on it than the workplace. There is a link between culture and the external environment as Hofstede’s (2001:10) definition makes clear as follows:

Culture is the interactive aggregate of common characteristics that influence a human group’s response to its environment

Studies conducted by sociologists such as Hofstede (1980) and Schein (1985) show that organizations are culture bound. This supports the view that the cultural environment is an important aspect which cannot be overlooked when developing ways to improve workplace practices including health and safety.

RESEARCH METHODS

The characteristics of the industry, national culture, institutional and regulatory frameworks were explored through literature review, observations, and semi-structured face-to-face interviews conducted in two groups of construction SMES. A sample of 26 SMEs and 8 institutions participated in the study. The 26 SMEs were a sample of 56 contractors registered with the Factory Inspectorate Department. The owner/managers of the 26 SMEs accepted to participate in the study and therefore formed the sample of the study. The 8 institutions comprised; three government
departments responsible for implementing health and safety standards at workplaces, one employers’ organization, two contractors’ associations and three consulting firms in the built environment. The interview questions were in three parts: part on business profile and personal information, part two on the influence of government policies and institutions on health and safety management, and part three on the management of health and safety. Telephone contacts were made with interviewees and interviews scheduled at their convenience. Construction sites of the businesses were also visited to assess the arrangements they have in place for managing health and safety.

RESULTS

The results of the interviews are described in the following sections. The empirical data are presented as narratives and quotations.

Health and safety practices

The health and safety practices of the businesses varied according to owner/managers’ opinions on the responsibility for health and safety in the businesses and their expertise in managing health and safety. Whilst owner/managers of the two groups felt they were responsible for the health and safety of their workers, their approaches to ensuring health and safety on their sites differed markedly as shown in Table 1. SMEs which had put in place procedures for controlling health and safety risks had a more structured approach to managing health and safety and delegated some health and safety responsibilities to their site supervisors. When asked how he managed the health and safety aspects of his works one owner/manager likened the essence of providing the health safety needs of his workers to doing so for a family:

Traditionally we are brought up to respect people in authority or elders who should provide good leadership for us to emulate. I am respected by my..., some of them are my family relations. I take good care of them, as I am their father. In short, I place myself in the position of a family head. For health and safety, I do my utmost best to ensure that hazards on site are minimized so that we continue to work as a happy family.

The family view of managing operations was also prevalent in owner/managers who had not put in place procedures for managing health and safety. One such owner/manager explained how he managed the health and safety aspects of his business as follows:

It is important to comply with the contract clauses on health and safety but sometimes doing that isn’t enough. You know, as a Ghanaian, some of the employees are my extended family relations so that their health and safety needs are even more of my concern. How will other relatives’ attitudes be towards me if they sustain an injury or they are taken ill because of the work? I will be failing to carry out my responsibility and my image will be at stake. Health and safety is more an issue of concern if you consider our custom.

Owner/managers who had the experience of working with clients who emphasized health and safety generally had better awareness of their health and safety responsibilities compared to those which had no such experience. In some cases, such clients required construction businesses bidding to have a health and safety policy and other arrangements in place for managing health and safety. Competition was however regarded as a disincentive for managing health and safety effectively, independent of
whether the SME had in place procedures for managing health and safety or not. In order to be the lowest bidder and therefore be awarded the contract every business tendering endeavours to lower costs. Health and safety is a substantial proportion of cost of construction and many contractors tend to under-price health and safety items in order to outbid their competitors. One owner/manager talks of the situation thus:

Because of competition and the practice of awarding the contract to the lowest bidder, one can price his preliminaries in a realistic manner taking into consideration the hazards of the project and another will price the same project very low disregarding health and safety. In the award of the contract, the lowest bidder gets the project and the contractor who prices in a realistic manner loses. Many contractors are always willing to bid very low in order to get a job. Such contractors cannot put in place the necessary procedures for preventing accidents and illnesses on site. Until the arena of competition excludes health and safety, with provisional sums provided in the contract to cater for it, health and safety will always be poor on most sites because of little investment in preventive and control measures.

Table 1: Health and safety practices

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<tr>
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<th>SMEs with health and safety procedures</th>
<th>SMEs with no health and safety procedures</th>
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<tr>
<td>Health safety leadership</td>
<td>Owner/managers had greater concerns for their workers’ health and safety and accepted health and safety as their responsibility</td>
<td>Owner/managers were more concerned with keeping the business going and tried to meet their health and safety obligations in contract conditions</td>
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<tr>
<td>Health and safety roles</td>
<td>Owner/managers delegated aspects of health and safety management to key site staff. The site manager or supervisor was responsible for the safe execution of the works.</td>
<td>Sole responsibility for health and safety was the prerogative of owner/manager who took decisions on all health and safety matters at the company and site levels.</td>
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<tr>
<td>Employer/employee relations</td>
<td>Trusted relations existed between owner/manager and senior staff as well as employees. Family ties and a culture of respect existed</td>
<td>Relations between owner/managers and supervisors were often weak and temporal. Most workers were engaged on a temporal basis.</td>
</tr>
<tr>
<td>Meeting health and safety standards</td>
<td>Owner/managers had put in place health and safety measures</td>
<td>Owner/managers tried to meet workers personal needs including health and safety whenever necessary</td>
</tr>
<tr>
<td>Knowledge of health and risks on sites</td>
<td>Owner/managers were generally aware of the serious nature of risks involved in construction operations</td>
<td>Owner/managers generally underestimated the health and safety risks of site operations</td>
</tr>
<tr>
<td>Workers participation in health and safety issues</td>
<td>Workers communicated on health and safety problems with site supervisors. Health and safety meetings were held involving site workers.</td>
<td>Limited communication existed between site supervisors and site operatives.</td>
</tr>
<tr>
<td>Workers’ and owner/managers’ perceptions of health and safety Experience of owner/managers</td>
<td>Health and safety management was intertwined with family value systems. Descriptions of incidents suggested not much could have been done to avert them.</td>
<td>Health and safety management was intertwined with family value systems. Descriptions of incidents also suggested not much could have been done to avert them.</td>
</tr>
<tr>
<td>Future plans</td>
<td>Owner/managers had plans to fully integrate health and safety into other business functions</td>
<td>Owner/managers had little experience of working with clients who emphasized health and safety.</td>
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<td></td>
<td>Owner/managers were more concerned with staying in business</td>
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Influence of government policies on occupational health and safety

Interviewees’ responses to the question of how government policies influence the management of health and safety indicated varied opinion among the SMEs both with and without health and safety procedures. Government initiatives aimed at increased productivity of the construction sector have failed to incorporate mechanisms to ensure improved working conditions including health and safety. Many contractors pay their workers rates only slightly higher than the minimum daily wage of
29,000.00 Ghanaian cedis (approximately 1GBP). One owner/manager commented on the issue thus:

...there are nice polices such as the recent National Health Insurance Scheme which I think every contractor should embrace but the problem in this country is practical implementation of policies. The impact of the Governments’ Private Sector Investment Programme on the construction industry as whole would be significant if such policies could be implemented to the letter. Ghanaian contractors need to be competitive and this means owner/managers must be able to manage their operations including health and safety efficiently...

Another owner/manager commented on government policy as follows:

Economic liberalization policy pursued by governments has led to intense competence for jobs which Ghanaian SMEs are ill-equipped in terms of resources and technology. The foreign firms are technologically advantaged and can manage health and safety better. It is however a gradual process and Ghanaian SMEs must improve upon their management of projects in order not to be forced out of the market...

Government assistance in the form of credit schemes for SMEs is acknowledged by owner/managers to be of little benefit as the construction sector is capital intensive. However, government assistance in the form of loans to buy equipment which some SMEs in the road sector benefited is seen to enable contractors to expand capacity. One owner/manager commented on government assistance as follows:

While government is doing the best it can to assist local contractors to build capacity, the sheer numbers of construction businesses and the different skills required by owner/managers makes it difficult to meet the needs many SMEs in the sector. Contractors Associations such as the Association of Road Contractors of Ghana in conjunction with other international bodies develop training programmes for its members. Equipment is key area that government can be of assistance to contractors.

Institutional influences on health and safety management within construction SMEs
The activities of many government ministries, departments, and agencies affect the construction industry of Ghana. Public institutions may interact directly or indirectly with the industry by regulating its activities or act on behalf of government as financiers, suppliers, or clients. Non-governmental organizations also significantly influence the activities of the industry as they may act as pressure groups, donors, advisors, or information providers. The Factory Inspectorate Department is solely responsible for implementing health and standards at workplaces. The work of many other organizations relate to health and safety. These other organizations include; employers’ association, trades union, labour department, occupational health services unit, environmental protection agency, and construction industry professional bodies.

Owner/managers interviewed indicated they complied with the collect agreement between Construction and Building Materials Workers Union and contractors. They paid their employees the national daily minimum wage or more and take care of the hospital expenses of persons injured because of site accidents. Responses of interviewees indicate institutions responsible for health and safety face difficulties in implementing health and safety standards on construction sites particularly small
private clients and builders. One interviewee noted the inability of the Factory Inspectorate Department to ensure health and safety standards are adhered to:

*Consultants, from time to time, insist on the provision of basic provisions such as first aid kit, hard hats, drinking water and other welfare facilities. Factory inspectors rarely visit our sites because they are few. In some regions, it is only the regional factory inspector and his assistant...*

Another put it this way:

*I must say the country is evolving and recent health and safety issues addressed included disable access to buildings and pedestrian and cycle lanes when constructing urban roads. We will progress as a nation if there is enforcement of law to the letter in this country. Unfortunately, site visits to monitor compliance with the law are occasional.*

Contractors are required to obtain a labour certificate for every construction project they tender for as proof that they comply with labour laws of the country. Temporal workers generally resist national insurance deductions with support of management as indicated by one owner/manager:

*We make social security contributions for the permanent workforce. Temporal workers think that they cannot benefit under the scheme and therefore find no need to contribute under the scheme. The Labour department is not strict regarding temporal workers.*

Donor agencies such as Department for International Development (DFID), Danish International Development Agency DANIDA and International Development Association (IDA) were noted to influence the procurement process through provisions in contracts health, safety and welfare items in accordance with International Labour Organization standards. One consultant remarked thus:

*...When it comes to projects financed by donor agencies such as DFID, DANIDA and IDA, provisions in contract clauses have to meet ILO standards in addition to the relevant health and safety laws of the country. They even ensure though consultants that these standards are implemented on sites by contractors; they get blacklisted if they fail to comply with the standards.*

**DISCUSSION**

**Cultural influences**

Businesses are embedded within given institutional and social setting thus making them susceptible to the influence of national culture. This influence is reflected in the general definition of safety culture offered by Waring (1992) as ‘aspects of culture that affect safety’. The study’s results corroborate evidence provided by other studies of the influence of national culture on health and safety. A comparative study conducted by Peckitt *et al.* (2002; 2004) on safety culture of the construction industry of Britain and the Caribbean illuminates the relationship between cultural values and construction site safety. Caribbean site workers viewed values of freedom, love and social interactions as having impact on site safety, whereas, British workers rated these values as having a lower impact. The relationship between workplace health and safety and cultural values is supported by data of the current study. Owner/managers perceptions and attitudes to health and safety are bound together with the extended
family system and a collectivist view of life characterized by upholding and providing for the social needs including health and safety of workers.

The influence of the Ghanaian extended family and a collectivist value system have been noted by other authors to have both negative and positive impact on entrepreneurial development and organizational management (Kuada 1994; Buame, 1996). These values promote trust in relationships and commitment to common goals and therefore facilitate the management of family run businesses. However, a possible reason for departure from sound management principles is allocation of resources to business functions, as family and collective interests must be considered first. This often can lead to some areas of management functions particularly, health and safety being deprived of its share of resources. According to Buame (1996), such vested family interest has often led to some Ghanaian entrepreneurs being deprived of their working capital leading to insolvency. Similarly, Woode (1997:61) noted that the extended family apart from imposing financial obligations undermines public interest. Negative traditional practices, such as witchcraft and superstition, persist in Ghana (Nukunya 1992:58). In a survey conducted in South Africa, Smallwood (2002) concluded that all religions “explicitly or imply the need for human life and the environment to be respected and conserved”. Negative values however, exist alongside religious moral values. Such negative values are incompatible with health and safety because persons who uphold such beliefs would have no knowledge of the underlying causes of accidents. These negative beliefs are a direct reflection of the level of development and are likely to die out in the course of time but presently, they are relevant to the research context.

The policy environment

Like many other developing countries, effective policies have seldom been implemented to the letter. This unfortunate situation has limited institutional capacity building which could otherwise create an enabling environment for implementation of health and standards. Ahassan (2001) has pointed to lack of resources and research on workplace exposures as the major reasons for lack of effective implementation of policy. The Economic Recovery Programme launched in the early eighties emphasized the creation of enabling environment for growth of the SME sector in Ghana. It has been envisioned that SMEs have capacity to promote economic growth and to create employment opportunities (Steel 1977; Page 1984). Economic growth cannot be achieved unless an enabling environment prevails which cannot happen overnight. Thormi and Yankson’s (1985) study provides ample evidence that these objectives are not immediately achievable. Such an atmosphere provides little avenue for business executives and stakeholders to exert greater effort towards improving workplace health and safety. SMEs constrained by lack of access to finance and regulatory barriers. Under these constraints, owner/managers are more likely to concentrate their efforts on core business functions such production and pay little attention to health and safety issues.

Institutional framework

The structure of the construction industry in Ghana is one which has been inherited from colonial government at a time when the informal sector was least developed. The construction industry of Ghana like many other African countries is characterized by a dormant formal sector and a fast growing informal sector (Wells 2001). It is therefore questionable if the institutional structure of the industry is appropriate considering the level of industrialization and the growth of informal construction activity. The
Strategies for improving SME health and safety performance

Factories, Offices, and Shops Act is the main occupational health and safety law which covers construction and the Factory Inspectorate Department is responsible for its implementation. Other health and safety related acts include the Labour Act, and Workmen’s Compensation Law administered by the Labour Department. An Occupational Health and Service Unit also exists which works closely with the Factory Inspectorate Department. These Departments have limited capacity to handle occupational health and safety problems in Ghana {Kheni, 2006 #320}. Likewise, it can be argued that there is a dire need for specific health and safety regulations applying to the construction industry.

CONCLUSIONS

Based on the results of semi-structured face-to-face interviews, this paper has considered the influence of the environment of Ghanaian construction SMEs on health and safety management which is one of the main objectives of an on-going larger study. The results of the study reveal that extended family and collectivist value systems influence health and safety management within SMEs in developing countries. While the extended family and collectivist values promote trust and commitment within the family run SMEs, family interests tend to be the most important consideration in allocating resources which hinders effective management including health and safety. Weaknesses identified in the policy and institutional environments also constrain the implementation of health and safety standards on construction sites. Strategies for improving health and safety should take account of the family system as well as the weaknesses in the environments of SMEs.

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