

# A BRIEF INTRODUCTION TO BUSINESS AND HUMAN RIGHTS

Extracts from the Guide for Integrating Human Rights into Business Practice

SHORT INTRODUCTION  
GLOBAL BUSINESS CASE  
STRATEGY  
POLICIES  
PROCESSES AND PROCEDURES  
**CAPACITY AND CAPABILITY**  
TRACKING PERFORMANCE



GLOBAL BUSINESS INITIATIVE ON HUMAN RIGHTS  
*advancing human rights in business around the world*



[www.integrating-humanrights.org](http://www.integrating-humanrights.org)

**For further Guidance  
please refer to:**



## **THE GUIDE TO INTEGRATING HUMAN RIGHTS INTO BUSINESS MANAGEMENT**

<http://www.integrating-humanrights.org>

The Guide for Integrating Human Rights into Business Management is an online tool produced jointly by the Business Leaders Initiative on Human Rights (BLIHR), the UN Global Compact and the Office of the UN High Commissioner for Human Rights (OHCHR)

Now in its second edition, it offers practical guidance to companies wanting to take a proactive approach to human rights within their business operations, and is of use primarily to business leaders and managers in large and medium-sized enterprises, private and state-owned, who would like to develop their understanding of human rights in business practice.

The existing Business and Human Rights Matrix, which featured in the first edition of the Guide, has also undergone considerable revision, and is now a fully interactive tool. It is hoped that this will be of great practical assistance to businesses looking to integrate or improve human rights in their companies.

The Essential Steps have been developed by BLIHR as a key component to the Business and Human Rights Matrix. The Essential Steps should be read in parallel with the Matrix tool and as a reference document for the Guide online site.

BLIHR concluded its work in March 2009 and full details of the Initiative and resources can be found at [www.blihr.org](http://www.blihr.org).

This brief introduction is one of a series of seven extracts from the Guide to Integrating Human Rights into Business Management.

Briefs available in the series include:

- I. A SHORT INTRODUCTION**
- II. THE GLOBAL BUSINESS CASE**
- III. STRATEGY**
- IV. POLICIES**
- V. PROCESSES & PROCEDURES**
- VI. CAPACITY AND CAPABILITY**
- VII. TRACKING PERFORMANCE**

Please refer to the full disclaimer in relation to all materials relating to this publication at [www.integrating-humanrights.org](http://www.integrating-humanrights.org)

# A BRIEF INTRODUCTION TO BUSINESS AND HUMAN RIGHTS CAPACITY AND CAPABILITY

## Overview

Building capacity and capability among the people in your business is critical to integrating human rights into your business. The best strategies, policies, processes and procedures will be undermined without getting this right – risk will be created, not reduced - and decisions will be made that undermine the intent of the business. The nature of human rights challenges is that they can occur in the moment, at the 'coal face', sometimes without warning and in the course of day-to-day business operations. The correct sensibility, knowledge and training are critical in this context.

This section provides guidance on how to develop the capacity and capability of your business to identify and respond effectively to human rights risks and opportunities. The intention of this section is to highlight various ways in which existing and new capability and capacity can strengthen other elements of the business system. In this section we span issues from introductory human rights training to the more complex issue of business culture.

### Key Messages

- Integrating human rights into your business is no different from implementing other change processes – work with the momentum, styles, and culture of your organisation
- The impact of strategies, policies and processes are limited and even misleading without continuous improvement in capacity and capability
- Training is critical and can take many forms including basic knowledge transfer, working with dilemmas and experiential learning
- Investing consistently in capacity and capability throughout your organisation is the best way to manage risks and seize opportunities

### Benefits

- Improved risk management due to early identification and then prevention of risk
- Distributed ownership resulting in less time and resources invested from the core of the business to manage issues that are best managed and resolved by local business leaders
- Increased employee satisfaction and performance due to an appreciation of working with a business that integrates ethics, values and a respect for human rights into day-to-day activity
- Recognition of good corporate citizenship and leadership through advocacy and public commitments in the area of human rights

# ROUGH GUIDE

## STEP 1: Understand how human rights can be embedded into your business culture

Business culture – including corporate identity, purpose, values and ways of working – can enable or create barriers to effective integration of human rights. Often, underlying attitudes and norms of behaviour in relation to human rights can undermine the most coherent policies, processes and procedures. For corporations, this can be exacerbated if incentive systems, evaluations and targets reinforce unethical choices. This is the case in all areas of doing business, and often magnified when new concepts – such as human rights – are introduced.

In response to this issue, BLIHR companies developed a set of questions to begin exploring the dynamics of your business. This tool appears in the Appendix of a larger BLIHR publication

**Human Rights Corporate Accountability Guide: From Law to Norms to Values.**

### EXECUTIVE SUMMARY

**Taken from Human Rights Corporate Accountability Guide: From Law to Norms to Values, John F Sherman and Chip Pitts**

In order to be held to account for its impact on human rights, a company must internalize human rights principles into the shared values embraced at all of its levels that drive its businesses on a day to day basis. Shared values comprise a company's culture, which may or may not always align with its stated goals. Ensuring a robust corporate culture that supports and respects human rights is critical to preventing business-related human rights abuses.

To achieve this culture, a company should take an integrated approach.

**First**, the company must understand what the law forbids (e.g., directly abusing human rights and being complicit in human rights abuses by others) and what the law requires (e.g., identifying, mitigating, and reporting upon risk).

**Second**, the company must take into account so-called soft law arising from the growing international web of multi-stakeholder initiatives and public and private codes and norms. Although these norms are technically voluntary, they have significant bite in practice, as a result of the absence of a centralized command-and-control system of international law. This has been characterized as a new –law merchant, so named for self-regulatory rules and principles based on usages and customs that medieval European merchants followed in order to fill in the gaps created by what was, at the time, an unresponsive civil law.

**Finally**, the company must internalize these internal and external standards by living up to their letter and spirit. This requires sound management and authentic leadership, resulting in the adoption of human rights values as core corporate values that manifest themselves in day-to-day actions.

See the [www.integrating-humanrights.org](http://www.integrating-humanrights.org) for more on internal transparency and confidential hotlines.

## **STEP 2: Build relationships across your company and with external groups**

Integrating human rights into business management involves increasingly wider groups of people from within and outside your business. We have heard a great deal in the past five years that corporate social responsibility should not be an 'add on' activity divorced from the core of the business, and this is critical for effective achievement of human rights management. Therefore, a core part of building your business's capability and capacity is the forming of relationships which expand recognition of human rights values from those responsible for ethics and compliance, or who defend the business from claims and allegations, to those who monitor compliance with external requirements, to those who run the core business, to those who plan and implement the business's long- term growth strategies, and to the external stakeholders affected by corporate actions.

### **Participate in sectoral initiatives**

Sector initiatives have for a long time been key components of the Business and Human Rights agenda. These allow industry groups to exchange learning, develop commitments, build tools and engage with stakeholders in an efficient and effective way. A core part of your approach to human rights should be to decide if your business should participate in these processes. You should also review initiatives that address major human rights issues for your business or certain critical commodities that bring with them human rights risks.

Some examples of sector initiatives are:

- Ethical Trading Initiative
- Fair Labor Association
- Voluntary Principles on Security and Human Rights
- Electronics Sector Code of Conduct
- Extractive Industry Transparency Initiative
- Global Network Initiative

If participating in sector initiatives is not appropriate or possible for your business, there are other avenues by which to benefit from others in your sector. For example:

- Arrange informal meetings with colleagues in the sector
- Read reports and conclusions from existing sector activity

Attend events dealing with human rights issues particular to your context or sector

### **Meet civil society groups and individuals who have strong concerns about your business**

BLIHR companies have found that engaging with detractors and challengers is an important way of understanding better and developing responses to human rights issues. This can range from engaging 'critical friends' like consultancies or being open to dialogue with NGOs, community groups and media organisations that are critical of the business. This can be done informally and in response to issues as they emerge (e.g. labour abuses in your supply chain, instances of discrimination, violent interactions with protesting communities and security forces) or it can be done on a regular basis as part of a governance and accountability process.

Connected to these instances, and in keeping with the wider notions of "sphere of influence", it is also important to cultivate a stakeholder-orientated approach to all areas of your business. Companies with a commitment to human rights have the ability to engage productively with stakeholders. They recognise that people are ends in themselves with inherent and immutable rights, not means to an end. They understand the need to assess the

impact of their actions on those whom their business affects, and endeavour to minimise harm and do what good they can. In an ethical culture, internal and external stakeholders support the business's values.

### **Support engagement across functions in your business**

The principle of cross-functional engagement can also be applied in the creation of strategies and in setting values. A widespread process of defining values in a participatory fashion, involving employees and other stakeholders — in ways that connect human rights and the business's core business goals, strategies, and broader ethical values — can reinforce a sense of ownership. This ownership of ethical and human rights responsibilities by the respective leaders of business functions and units, cascading down to the individual employee level within their own spheres of influence, promotes broad awareness and effective actions on human rights issues. Such ownership helps bridge the divide between rhetoric and action.

### **STEP 3: Review the different types of training available, select appropriate training programme and identify target groups**

Human rights training is a vehicle through which companies can help executives, managers, supervisors, employees, and contractors understand their expanded moral space in a global economy. This usually starts with basic information about what human rights are — the rights arising from merely being human that are recognised in the Universal Declaration of Human Rights and the leading international instruments — and why they're relevant to the business and its business.

The value of training in integrating human rights into your business management cannot be over-stated. Training, in its multiple forms, will help individuals in the business to gain new knowledge, understand issues not addressed in traditional management education and engage in dilemmas. Investing in this area is about preparing the people in the business to make the right decisions when there are called upon to prevent or respond to a human rights issue. This is no different for any other area of your business. Accept that, when dealing with human rights, your employees will often be dealing with issues that engage hearts as well as minds – preparing colleagues to avoid or respond to violent protests, child labour in the supply chain or concerns about corruption is not a simple textbook activity.

There is a range of different types of human rights training available: web-based and paper-based or in person, that can be held either in the workplace or at a special venue outside the business location. The following is an example of available types of training and examples:

- E-learning systems
- Specific training for business units
- Staff Induction
- Management handbooks and primers
- Residential multi-business courses
- Dilemma-based training
- Experiential learning

Training should engage the daily business realities, and ideally the inner lives, of its target audiences by focusing on hard cases and dilemmas, including issues of rights versus rights, or rights versus production or operational goals. Because they engage our whole brains and being, innovative learning techniques involving storytelling, literature, multimedia techniques and scenario-planning increases the sensitivity, empathy, and capacity for ethical reasoning required to resolve such dilemmas fairly and effectively. Theatre and role-playing are an especially effective means of encouraging anti-discrimination values and respect for diversity (which depends on engaging the emotions and understanding the other's perspective.)

## Select appropriate training programme and identify target groups

A number of business functions (in-house or contracted) can make decisions that prevent or perpetuate human rights-related risks. For example, procurement departments can contract with suppliers that violate labour standards, compliance can undermine the importance of 'soft law', security teams can enter into agreements with security services with bad human rights records, and corporate strategy can steer the business towards or away from operating in countries with high human rights risks.

Employee training needs to provide an understanding of how human rights relate to the business and raise awareness of human rights risks and opportunities. An analysis of employees' needs at particular business sites or of those who perform specific functions can help identify areas that the training should cover. Case studies can support this training. Relevant employees throughout the organisation should receive function-specific training; for example, training about specific risks in their operations and how to handle them, or training on new procedures and tools. Target groups for training could include:

- Procurement / supply chain management
- Sales and marketing
- Human resources
- Security
- All managers and supervisors

The business can also take steps to train suppliers and contractors. Stakeholders and external partners can help with training on specific issues such as political, geographical and cultural risks. Employees should also participate in external training where independent experts challenge others and give specialist insight into specific human rights issues.

The selection of the appropriate training programme is based on factors such as time, cost, location, and the technology involved. It is worthwhile to ask other businesses and business associations which programmes they have found the most useful, but remember that no two businesses are alike. It is likely that stakeholders from the local community or NGOs will have much to contribute to any programme that is to be organised. It is essential in these circumstances that the business and NGO or community group work together in partnership to clearly define expectations and develop a productive working relationship.

## STEP 4: Integrate human rights into your internal and external communications

The act of communicating is in itself an essential part of a human rights approach; balancing freedom of expression with the protection of personal or private information and the participation of stakeholders is essential. Your business's human rights policy, procedures and performance should be documented and communicated to employees; for instance, through codes of business conduct. They should also be made available through the corporate website (where this is an option), business publications, annual reports, and notice boards – and in local languages, where appropriate. In addition, companies should encourage suppliers to publicise to their employees the obligations they have undertaken to uphold human rights in their business relations. Finally, a large part of effective communication is to keep up-to-date with relevant stories and commentary about your business and industry – many networks and resources are available for this purpose. It is especially important to listen for bad news from within and from outside your business.

Internal communication is critical to developing an effective human rights management system. Consistent and well-presented top-down communication within a business can serve to inform about human rights within the business strategy. Employees should be informed about human rights risks and opportunities that the business faces in its operations. The performance indicators that are used to monitor and measure the efficiency of the human rights management system should also be communicated to all. It is particularly important for

businesses to communicate to all employees the principal drivers behind human rights-based initiatives and their relevance to the long-term strategy of the business. The latter can prevent the marginalisation of initiatives and ensure that specialised departments handling human rights issues are fully integrated into the business. An interactive approach to internal communication may generate greater understanding and a flow of innovative ideas and proposals on how to improve established practices and procedures.

Efficient lines of communication with employees are also needed to ensure effective non-compliance reporting and whistle-blowing. This requires clearly defined policies and procedures on the subject and clear contact points in the organisation. Human rights issues should be communicated using simple and straightforward terminology, translated into relevant languages, and made widely accessible, including to employees with disabilities. It may be useful initially to address human rights issues using business terminology, since human rights may appear overly political or legalistic and may create barriers or misunderstanding. It is key that communication is followed up by encouraging a culture of human rights recognition and respect in the organisation; it may be necessary to develop change management strategies to best facilitate this or to integrate the issue into existing programmes.

A business should ensure that human rights are protected in all of its external communications. For example, if local communities want to communicate with the business through protest, the business should respect their right to freedom of expression and should not seek to repress demonstrations or ask governments to do so, even if the business does not agree with the message or the style of communication. In gathering and retaining information about employees, customers or others, companies should follow data protection rules and respect the right to privacy. This is especially true where companies hold sensitive health or other private information gathered for the business's human resources files.

Companies may also be responsible for the actions of their employees while at work, such as the use of the internet or possible e-mail abuse.

## GLOBAL BUSINESS INITIATIVE ON HUMAN RIGHTS

*advancing human rights in business around the world*



This series of brief introductions has been produced and distributed by the Global Business Initiative on Human Rights, a global business-led project committed to advancing human rights in business around the world. Launched in June 2009, the initiative provides a global platform for companies from different industrial sectors across the world to show leadership as well as providing a supportive environment in which to learn about how to respect and support human rights and integrate them into the management of their business.

The initiative is also creating regional or national platforms for companies to engage with peers on human rights issues. There are opportunities for participating companies to involve business partners, customers and suppliers in the initiative, and so provide an innovative approach to enhancing the integration of human rights into corporate value chains.

The Global Business Initiative on Human Rights benefits and builds on the lessons learnt from the Business Leaders Initiative on Human Rights (BLIHR), which concluded its work in March 2009 and, as part of its programme of work, will lead on taking forward the Guide to Integrating Human Rights into Business Management and the Human Rights Matrix to a wider audience to further promote integration of human rights into business management.

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