Business Management and Human Rights

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Abstract: This paper is mainly concentrated on more effective integration of effective human rights practices and business benefits, human rights in business strategy, business and human rights frame work etc. Human rights are the basic rights of each human being, independent of race, sex, religion, political opinion, social status, or any other characteristic. At this time in history, there are compelling reasons why businesses should involve human rights in their policies and practices. Human rights offer a common framework for businesses to understand societies' expectations and deliver value to stakeholders in a more sustainable way. An increasing number of firms have begun to integrate human rights considerations into their mainstream business decision making. Although some have been driven by public scandals, activist campaigns, consumer boycotts or lawsuits over alleged corporate complicity in human rights abuses, others have acted without an external stimulus for other commercial reasons or because they believe it is the right thing to do.
Key words: environment, human rights, stakeholders

Introduction

"Formulating a specific corporate strategy on human rights and embedding this strategy in corporate policies is key to the successful integration of human rights management processes in a company. Such a strategy should provide the vision, map the means to integrate human rights and embody the business commitment to human rights. Taking a strategic position on human rights management can establish a leadership position for the company." Companies are increasingly required to provide a transparent and fair valuation to all interested parties of their substance and performance on social, economic and environmental performance. They are also expected to illustrate and validate their contributions to the overall sustainable local and global economies as investors, consumers and other stakeholders are becoming better informed and more critical of how economic value is created. Economic value is no longer only measured on fiscal inputs and outputs, but needs to incorporate social, socio-economic and environmental factors as well.To this end, how a company manages the human rights of all its stakeholders has become part of fair, transparent, responsible and ethical business. Giving due consideration to human rights has become a critical aspect of business strategy and is considered essential for businesses to retain their "business-license-to-operate".

Human Rights in the Context of Business Strategy

Human rights are a set of moral principles that guide the behaviour of all individuals, states and corporations to ensure that all people under all circumstances are treated with respect, dignity and fairness. Human Rights are universal and not country specific. However, every country is obligated by international law to write into its own laws and policies the governance and protection of all humans' basic rights.

South Africa has adopted into its constitution the protection of human rights of all South African citizens. Companies operating in South Africa therefore have an obligation to incorporate human rights into their daily operations and implement relevant policies and procedures to ensure that fundamental human rights are upheld.

It must be noted that the implementation of human rights goes beyond observing the rights of workers e.g. the right to fair treatment, equitable labour practices and the right to collective bargaining (which is the minimum that many companies report on). Human rights in the context of business strategy include the rights of all rightsholders/stakeholders impacted by a company's operations, including community members, shareholders, suppliers and customers. A company's human rights management policies and activities should refer to all internal and external right sholders' human rights, and could, for example include the right to human dignity, the right to of people owning property, the right to a healthy environment, the right to get access to proper housing, the right to have access to food, water, healthcare and social security, the right to freedom of association on aspects of culture, religion, politics and language and the right to freedom and safety.

Employee Rights

The United Nations International Labour Organisation (ILO), in their World of Work Report of 2014, highlights that while there were some positive trends in emerging economies over the past decade, many social and employment issues still persists, with significant levels of "vulnerable employment" remaining on the African continent. South Africa is still one of the lowest ranked Emerging Economies for both GDP per capita growth and productivity improvements for the period 1980 and 2011. The ILO highlights a number of key issues within the South African employment landscape that persist, including (but not limited to) excessive working hours of large portions of the labour market, lack of trade union representation in companies and continued high rates of informal employment. These findings show that there are still large gaps in the commitment of South African companies to honour and respect basic human rights.

Human Rights Management and Business Strategy

According to Baab and Jungk, companies need to make concerted efforts and require well developed approaches to effectively address human rights challenges within their strategies and operations. These should include, amongst others:

- Understand human rights in the context of the industries, supply chains and communities within which they operate
- Follow due-diligence processes and engage all relevant stakeholders to identify, quantify and prioritise human rights risks, issues and opportunities
- Build a business case for inclusion of human rights into business strategies, policies and practices, taking into consideration legal, reputational, operational, environmental and financial risks
- Ensure that human rights issues are mandated, overseen and prioritized by senior and executive management

- Ensure that all staff are educated and trained in human rights aspects and how these translate into the ethos/values of the business
- Develop relevant human rights indicators, implement data collection, undertake monitoring and evaluation activities pertaining to human rights and conduct regular human rights impact assessments
- Prevent, mitigate and, where appropriate, remediate human rights issues and grievances through the implementation and communication of appropriate human rights policies, processes and procedure within the organization
- Pillar two refers to the obligations of companies to put into place policies and frameworks to prevent human rights violations
- Pillar three refers the creation of greater awareness of human rights violations and to provide victims access to legal mechanisms that effectively redress such violations

This framework provides a good guideline in the various stakeholders that are impacted by or impacts human rights issues, and is therefore a good point of departure for companies that have not done so yet, to start developing their own human rights strategies, policies and mechanisms.

More effective integration of effective human rights practices include:

1. **Define your company's ambition level.** Link this process clearly to your business strategy: Clearly define who you are as a business and why it is relevant for your organisation to manage human rights. Be ambitious – but pragmatic. Set a concrete, business-minded goal for your company's human rights approach. This way you speak the language of business from the very start while making the direction clear for everyone.

2. **Map out what you are already doing.** Collect all human rights-related commitments, resources, systems and key contacts into a description of the status quo. This way you will ensure you are not re-building something that already exists.

3. **Conduct a gap analysis.** For this, the UNGP and UN Global Compact's instruments offer excellent starting points, but it is also important to integrate your ambition level and specific business-minded goals in the framework against which the gap analysis is conducted.

4. **Develop an action plan and a roadmap.** Here, several findings from the gap analysis can be used to guide actions:

o *Integrate, integrate, and integrate.* Look at existing processes and think which are relevant for the chosen human rights approach. And then – integrate.

o *Make human rights as specific as possible.* The more concrete the issues and actions are, the easier it is to understand the business relevance of human rights and thus to get the necessary business buy-in.

o *Invest in middle management's commitment.* Our research shows that, when moving from commitment to implementation, human rights management lives and dies with the commitment of middle management to the issue. Actions speak louder than words – and this is

where you need middle management close to the operational level of the business and its human rights risks.

o **Build a training-focused audit/due diligence program.** Combine human rights audits/due diligence with training wherever possible and relevant. This is the best way to get the most out of audits and taps into the current trend by pioneering companies. This helps build long-term commitment with suppliers, which may bring down operational costs as well.

5. **Communicate transparently but carefully,** keeping different stakeholders/rights holders' and their interests in mind. Communicating about human rights issues is not easy, due to their vastness and political nature. Thus, make it concrete and contextual but also understand what fuels the different stakeholder groups. Transparency is the talk of the day and the best policy here; but chooses your battles well and keep your backyard in order. White-washing is out of fashion for good.

Conclusion

Businesses have an obligation observe and respect human rights, not only those of their employees, but also those of larger stakeholder groups. Companies can mitigate the risks presented by human rights violations by adopting policies, subscribing voluntary initiatives, incorporating human rights principles in their business strategies and ensuring that human rights due diligence is done up and down their supply chains. Companies need to report transparently on human rights and potential human rights violations and risks. In addition, putting in place

mechanisms to effectively address human rights violations will lend further credibility to companies in the context of their treatment of stakeholders.

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