

ACCOUNT
FOR
CONTEXT



ABOUT **SHIFT**

Shift is the leading center of expertise on the UN Guiding Principles on Business and Human Rights. Shift's global team of experts works across all continents and sectors to challenge assumptions, push boundaries and redefine corporate practice in order to build a world where business gets done with respect for people's dignity. We are a nonprofit, mission-driven organization headquartered in New York City.

 shiftproject.org

 [@shiftproject](https://twitter.com/shiftproject)

ABOUT **VALUING RESPECT PROJECT**

Valuing Respect Project is a global collaborative platform, led by Shift, to research and co-create better ways of evaluating business respect for human rights. Our aim is to develop tools and insights that can help both companies and their stakeholders focus their resources on actions that effectively improve outcomes for people. Valuing Respect is generously funded by the Ministry of Foreign Affairs Finland, the Norwegian Ministry of Foreign Affairs and Norges Bank Investment Management.

 [valuingrespect](https://valuingrespect.org)

STEPS



ARTICULATE STRATEGY

1

Articulate the intended human rights outcomes for people.

2

Articulate whose behaviors you are targeting and what you want them to do.

3

Articulate related activities, outputs, inputs and outcomes for business.

4

Map contextual factors - risks, dependencies, and assumptions.

5

Set out how you do, or will, address these contextual factors.

6

Establish outcome targets to build momentum and accountability.

7

Design a holistic set of indicators to measure progress and impact.



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DEVELOP TARGETS & INDICATORS

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MAP CONTEXTUAL FACTORS - BOTH RISKS, DEPENDENCIES, AND ASSUMPTIONS

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STEP FIVE

SET OUT HOW YOU DO, OR WILL, ADDRESS THESE CONTEXTUAL FACTORS

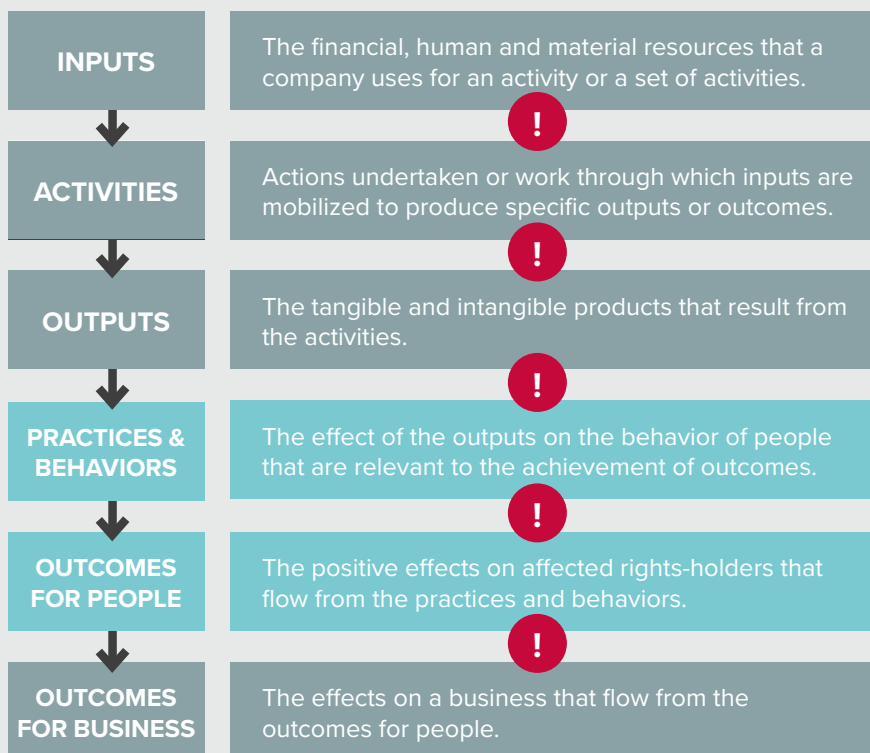
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In this part of the process you will identify, and establish how to address, the contextual factors that could influence whether, or how quickly, your programs or activities will affect the changes that they are designed to achieve. In practice, this involves identifying the **risks that can get in the way of progress between different steps in the theory of change pathway**; **dependencies on other factors that need to be in place to progress between the steps**; and false assumptions that certain causal or other relationships necessarily exist between the steps. Identifying contextual factors – such as organizational culture, commercial incentives or local laws – helps to:

- ▶ Critique and strengthen your theory of change logic from Part One.
- ▶ Design indicators to monitor if contextual factors are in fact enabling or hindering progress (see Part Three).

ACCOUNTING FOR CONTEXTUAL FACTORS



POSSIBLE DEPENDENCIES

- ! Company Cultures
- ! Industry Norms
- ! Skills
- ! Leverage
- ! Politics
- ! Local Law

When articulating your theory of change, you should be guided by robust engagement with stakeholders: With internal issue owners and subject-matter experts; Wherever possible, with input from the affected stakeholders and/or their legitimate representatives; and Where appropriate, with companies (such as peers, suppliers, partners or customers) that are an integral part of achieving the outcomes you have articulated.

Engagement with internal and external stakeholders is critical because it will help you build a **full and complete understanding of the contextual factors** that will impact the effectiveness of interventions by:

- ▶ **Uncovering blind spots in your own thinking**, perhaps simply by being asked tough questions about your logic.
- ▶ **Addressing gaps in your own expertise and knowledge**, for example about industry practices or local contexts, in which you are trying to achieve certain outcomes.

STEP FOUR

MAP CONTEXTUAL FACTORS - BOTH RISKS, DEPENDENCIES, AND ASSUMPTIONS

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INDICATOR DESIGN TOOL

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When completing this step, you should **focus on the most significant risks or dependencies** that might impact the success of your activities, program or initiative. Contextual factors may be dynamics external to your organization such as the practices of peers or local cultural norms. But your efforts to achieve change might also be impacted by dynamics closer to home, for example: the ability of partners to execute activities to the quality that is required, your own company culture, buy-in and support from colleagues in other departments, or the incentives your company creates for business partners. So you should think broadly about the different risks and dependencies that may exist.

At the same time, use your professional judgment to focus on contextual factors that you think are significant. If you list every imaginable risk, you will end up with an overwhelming number of contextual factors in your model. This will be unmanageable. In short, trust your judgment and that of the stakeholders you engage.

To kick-start your thinking, the table on the following page offers a **non-exhaustive, illustrative list** of questions that can help in surfacing contextual factors.

<p>BETWEEN INPUTS AND ACTIVITIES</p>	<ul style="list-style-type: none"> • Is everyone inside our organization that is needed for the activity to happen committed to play their part? • Do delivery partners have the necessary skills and expertise to implement our activities to a high standard? Can they deliver at a high quality in all markets in which we need them to?
<p>BETWEEN ACTIVITIES AND OUTPUTS</p>	<ul style="list-style-type: none"> • If an activity is aimed at increasing knowledge or changing mindsets, what gives us confidence that these will be the result? • Are there aspects of organizational culture that will support, or undermine, the new attitudes and mindsets we are seeking to instill?
<p>BETWEEN OUTPUTS AND PRACTICES & BEHAVIORS</p>	<ul style="list-style-type: none"> • What are we assuming about people's interest to adopt the change we are aiming for? • Are there commercial or other pressures that disincentivize the actions or behaviors we are seeking to instill?
<p>BETWEEN PRACTICES AND BEHAVIORS & OUTCOMES FOR PEOPLE</p>	<ul style="list-style-type: none"> • When it comes to effecting change in people's lives, what are we taking for granted about their ability to take advantage of improved business practices? • What local political or organizational dynamics will affect the desired outcomes we want?
<p>BETWEEN OUTCOMES FOR PEOPLE AND OUTCOMES FOR BUSINESS</p>	<ul style="list-style-type: none"> • Do reputational or other business gains we have identified rely on suppliers or business partners communicating with stakeholders about progress? • Will other events (such as economic downturns) undermine, cancel out or mask the business outcomes we have listed? • If the outcomes for business rely on increased trust from affected groups, might other events – such as incidents of severe human rights abuse in another one of our operational sites or involving an industry peer - undermine this?

STEP FIVE

SET OUT HOW YOU DO, OR WILL, ADDRESS THESE CONTEXTUAL FACTORS

THERE ARE **TWO PARTS** TO THIS STEP:

- 1 STRENGTHENING INPUTS AND ACTIVITIES.** Identify if any of the factors you have identified can be addressed through adapting the inputs and activities in your theory of change logic. This will achieve two things. First, it will help you strengthen the robustness of your thinking to this point. Second, it can narrow down your list of contextual factors to those that represent significant risks to your theory of change, which will aid with steps to follow.
- 2 IDENTIFYING COMPLEMENTARY ACTIONS.** Identify additional actions, programs or initiatives that the company needs to have in place in order to shore up your theory of change by removing some contextual factors that otherwise place it at risk.

1. **STRENGTHEN** INPUTS AND ACTIVITIES

Use the following tips to help you in completing this step to lay a good foundation for what follows:

- ▶ **Stay focused on contextual factors that can feasibly be addressed by altering inputs and activities:** In general, these will be the upper levels of the theory of change and will not be major systemic risks.

By way of illustration:

- An assumption between an input and activity that “external trainers are appropriately qualified” could be addressed by simply making it clear that a key input is, “*Appropriately qualified external trainers.*”
- An assumption between an activity and an output that “language barriers do not obstruct supplier understanding of policies and guidance” could be addressed by making is clear at the input level that “policies and guidance are available, *including in local languages spoken in the company’s sourcing markets.*”

- An assumption between an activity and an output that “the business partner’s workplace practices self-assessment is based on ILO standards” could be dealt with by making clear at the activity level that “Business partners are given support to complete a workplace rights self-assessment *that has been reflects ILO standards.*”

- ▶ **Only rewrite inputs and activities if the company is realistically going to ensure that they are implemented in their new formulation:** It is not helpful to adjust inputs and activities that have no chance of being changed in reality. If you are unsure if the company is going to be willing and able to make the change, simply retain the risk, dependency or assumption that you listed.
- ▶ **Where you are satisfied that you have adapted inputs and activities as necessary, you can delete the relevant contextual factor:** If the contextual factor identified has been addressed in a new formulation, then it no longer needs to be listed.

2. IDENTIFYING COMPLEMENTARY ACTIONS

The nature and detail of complementary actions will vary depending on the issue you are seeking to address. Some will require substantial investment and attention from your company. The table below provides an illustrative, fictional list to inform your thinking.

EXAMPLE CONTEXTUAL FACTOR	EXAMPLE CORRESPONDING COMPLEMENTARY ACTION
Between Outputs and Practices/Behaviors: <i>Business practices of customers do not undermine supplier ability to pay workers a living wage.</i>	Industry initiative to tackle purchasing practices that put pressures on factories such that it makes it challenging for them to respect workplace rights.
Between Practices/Behaviors and Outcomes for People: <i>Other industrial plants in the region do not pollute sources of drinking water.</i>	Engagement with local government agencies (environment, health, industry) to enforce existing environmental regulations that would eradicate pollution of potable water sources.
Between Practices/Behaviors and Outcomes for People: <i>Women have the skills and confidence to apply for jobs that are now advertised openly to all employees.</i>	Engaging women’s professional networks and associations that can work with senior leadership to identify and address corporate cultural barriers that may deter women from applying for promotions.

Use the following tip to help you in completing this step:

- ▶ You do not need to have additional actions for every assumption. You should not manufacture actions that you do not see as necessary or feasible to pursue. The main reasons for not creating complementary activities for every assumption are that:
 - There may be issues that you believe are already being managed with a high degree of success, and where you anticipate that will remain the case. For example, you may have identified a contextual factor that there are “good quality living conditions including sanitation services” for workers on a certain construction site, which, if untrue, would impact your overall goal of improving workers’ physical and mental health. But if your contractors in that region have a track record of providing safe and clean accommodation to workers there is no need for an additional program of work to address that assumption.
 - There may be issues that are not being managed and ideally need to be, but which the company does not currently have the bandwidth or resources to invest in addressing. In such cases, it will be important to monitor this to see how it affects the success of the programs. **At the same time, if an assumption represents a serious risk to your theory of change, yet you see no pathway to addressing it within a reasonable timeframe, this should spark a serious examination of the viability of your strategy as a whole.**
 - A company may judge – ideally in consultation with relevant stakeholders - that it is not realistic to address certain contextual issues in the foreseeable future. Examples here might be the presence of a long-standing local conflict, a pattern of workers not returning to work after public holidays, or the risk of sudden changes in political leadership and ideology. These may simply become conditions within which you have to seek to achieve better human rights outcomes, and your focus may be on monitoring them to understand if they are reaching the point of making your theory of change untenable.

[Continue to Part 3.](#)