

routinely seek out the experiences and views of people across the company's workforce about how they are affected by the business, and inform them of how their inputs have influenced company decision-making.

LEADERSHIP
NO.

4

OVERVIEW

People within a company's workforce may themselves be impacted by the business, for example through excessively low wages, unsafe working conditions, discrimination, limits on freedom of association or other human rights impacts. This can be a particular risk for individuals whose positions may be more precarious than those of full-time employees, such as workers on contract, on limited or variable hours, or who are nominally self-employed.

Where leaders regularly engage with a cross-section of the workforce to understand their daily experience in the company, they are more likely to identify such risks and impacts early so they can be addressed effectively. Where they inform the workforce of ways in which such feedback has shaped company decisions, it is more likely that individuals will feel it is safe and worthwhile to raise concerns.

Evidence of these practices provides a signal that senior leaders are interested in understanding how people across the organization perceive the company to affect their lives, and that they care about their experience and understand its importance to the success of the company.

APPLICATIONS

KEY QUESTIONS FOR LEADERS TO ASK OR BE ASKED

- Through what means do senior leaders hear directly from the workforce on their experience of the company and how working there affects them?
- How widespread a cross-section of the workforce do senior leaders engage with, and what kinds of issues arise?
- How do insights gained from these engagements with the workforce feed into the assessment of risks to people and actions to address them?
- Do senior leaders inform the workforce of how these interactions play into business decisions?

CONNECTION TO CULTURE



AUTHENTICITY



LEARNING



EMPATHY



ACCOUNTABILITY



SUPPORTING
INDICATORS

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TYPE OF APPLICATION

The types of use, whether inside a company or by those outside a company, to which this indicator particularly lends itself:

Internal

- Self-assessment / internal audit
- Third party assessment / culture audit

External

- Required disclosure
- Regulatory provision (governance / due diligence)
- Investor engagement
- Indicator of performance

SOURCES OF EVIDENCE



DOCUMENTATION

- Records of meetings with members / representatives of workforce
- Policies on engagement with workforce



CONVERSATIONS

- with senior leaders
- with Worker Representatives / Unions Committees
- with any internal networks for specific groups within the workforce e.g. women, disabled individuals, LGBTQ+ people etc.



WORKFORCE PERSPECTIVES

Survey / interviews / other feedback from a cross-section of the workforce regarding:

- Awareness of senior leaders' engagement with members of the workforce regarding their experience of how the company affects them
- Whether senior leaders are sufficiently aware of how different groups within the workforce are affected by the business
- Awareness of any changes to how business is done as a result of engagements with senior leaders
- The value of these engagements by senior leaders
- Their own engagement with others – including more junior members of the workforce – on these issues

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SUPPORTING INDICATORS

ADDRESSING LIMITATIONS

The limits of this indicator lie in the tensions that may arise between an intent and desire among leaders to address human rights-related concerns raised by the workforce, and business pressures or incentives that may prevent or dissuade them from doing so in practice.

This indicator will therefore be strengthened where there is complementary evidence in relation to one or more of the following indicators:

	G1	G4	G8	G9
SUPPORTING INDICATOR	The most senior governing body and/or its relevant subcommittees... reviews and challenges the company’s business model and strategy to ensure any inherent human rights risks are identified and addressed.	The most senior governing body and/or its relevant subcommittees... has systems in place to regularly hear the experiences and views of people across the workforce about how they are affected by the business, and informs the workforce about how these inputs have influenced company decision-making.	The most senior governing body and/or its relevant subcommittees... ensures that performance incentives for top management are in place that reflect the company’s salient human rights issues; are supported by relevant KPIs; and are given reasonable weight in compensation schemes.	The most senior governing body and/or its relevant subcommittees... challenges any top management performance incentives that may promote behaviors that undermine respect for human rights.
RATIONALE	Where the governing body does this, it is less likely that top management faces incentives to ignore human rights-related concerns raised by the workforce.	Where the governing body does this, it is likely this will reinforce positive incentives and reduce disincentives for leaders to do likewise.	Where the governing body does this it is more likely that incentives will support and enable leaders to act on concerns raised by the workforce.	Where the governing body does this, it is less likely that leaders will be disincentivized from acting on concerns raised by the workforce.