



Human Rights of Employees as a Corporate Social Responsibility. A study in Industrial Units in Nizwa, Oman

Dr N Raja Sekar

Reader and Head, Department of Business Administration
Thiagarajar College, Madurai

Sangeetha T R

PhD Research Scholar Mother Teresa Women's University Madurai,
Tamil Nadu

ABSTRACT

Corporate Social Responsibility involves responsible practices in the workplace. It is important that business conduct their business in a responsible manner. Oman is rapidly industrializing its economy. This study explores the responsible social practices in the workplace.

Using the UNGC developed instrument for monitoring Human Rights, seventy industrial units were surveyed in Al Dakhliya Region of Oman. The findings show that Health and Safety standards are upto 50%, Working Hours, Wages and Leave standards are upto 41.4% and Fair Treatment of workers is 37.1% according to the UNGC principles.

KEYWORDS : human rights, corporate social responsibility

Corporate social responsibility (CSR), also called corporate conscience, corporate citizenship or sustainable responsible business/ Responsible Business is a form of corporate self-regulation integrated into a business model (Wood, 1991). CSR aims to embrace responsibility for corporate actions and to encourage a positive impact on the environment and stakeholders including consumers, employees, investors, communities, and others (McWilliams & Siegel, 2001)..

Human rights are moral principles or norms that describe certain standards of human behaviour, and are regularly protected as legal rights in national and international law (Nickel, Pogge, Smith, & Wenar, 2013). They are commonly understood as inalienable fundamental rights "to which a person is inherently entitled simply because she or he is a human being," and which are "inherent in all human beings" regardless of their nation, location, language, religion, ethnic origin or any other status (UNHCR, 2014). They are applicable everywhere and at every time in the sense of being universal, and they are egalitarian in the sense of being the same for everyone.

Human rights are an increasingly important aspect of corporate social responsibility. The UN Guiding Principles on Business and Human Rights define what companies and governments should do to avoid and address possible negative human rights impacts by business (UNHCHR, 2011). The EU has endorsed the UN Guiding Principles in its 2011 CSR strategy and has made a commitment to support their implementation. For this purpose, a number of guiding materials was published and the development of national action plans is addressed by the CSR peer review process with EU Member States.

United Nations recognizing this broader concept has launched an initiative called Global Compact in 2000. This initiative recognizes ten guiding principles grouped under four areas; human rights, labour, environment and anti-corruption. By conforming to these principles, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere (UNGC, 2014).

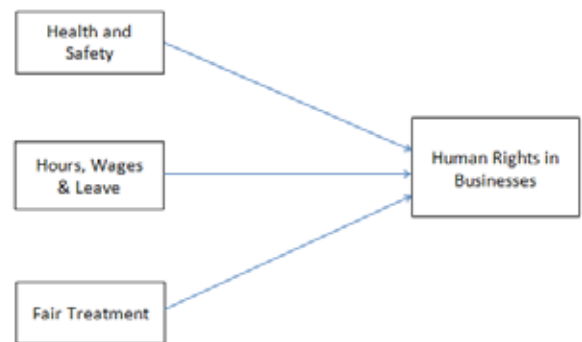
Problem statement

In this global village all businesses should conform to globally accepted standards of business. There are so many agencies and organizations keeping an eye on how businesses conform to internationally accepted standards. United Nations Global Compact is an organization that studies businesses to see how they rate in clean operational practices. They have collaborating academia that conduct studies to benchmark businesses. To date no evidence is available about the practices in Oman. This research explores the situation as it is in the Al Dakhliya Region of Sultanate of Oman in the business sector.

Research Questions

The study addresses the following questions, according to UNGC framework:

- What is the position of Human Rights in terms of health and safety, working hours, wages and leave for employees in businesses in Al Dakhliya Region?
- What is the position of Fair Treatment of employees in the businesses?



Conceptual Framework

Conceptual Framework Methodology

The study utilizes the self assessment tool developed by UN Global Compact Organization to study the business ventures in the Al Dakhliya Region. UNGC has developed a self-assessment questionnaire to gauge the business's status on human rights performance against international standards, conventions and agreements, and provide inspiration for continuous improvement.

Results

The results of the survey of the seventy industrial units conducted in the Thyma Industrial Estate in Wilayat of Nizwa in Al Dakhliya Region of the Sultanate of Oman, revealed the following:

Health and safety systems

When asked if the company ensure that its workers are provided safe, suitable and sanitary work facilities, more than two thirds (67.1%) of the respondents said yes, one fifth (20.0%) replied in the negative while 12.8% did not know. Does the company have effective health and safety procedures in place, which comply with industry, national and international standards, 62.9% of respondents said yes, 31.4% said no, while 5.7% did not know if it were so or not. When asked if

the responsibilities for health and safety tasks are clearly defined, 64.3% of the respondents said they were, 30.0% said they were not, while 5.7% were unable to answer. If the company routinely monitors its production processes, machinery and equipment to ensure that they are safe and in good working order, 54.3% replied in the affirmative, 27.1% in the negative, while 18.5% had no idea.

About the workers and managers being trained to respond to workplace emergencies; first aid kits and fire extinguishers are readily available; and escape exits being clearly marked and free from obstruction, 78.6% of respondents said it was true, while 15.7% did not think so and 5.7% did not have any idea. When asked if the workplace is maintained to ensure clean and comfortable conditions including a suitable temperature, ventilation and lighting; suitable washing and sanitation areas appropriate for both genders, more than three fourth (75.7%) agreed, 12.9% disagreed while 11.4% did not know. When asked if the residential or overnight facilities are safe and sanitary and meet the basic needs of workers including with regard to safety, space, temperature, lighting, ventilation, food, water, sanitary facilities, privacy, and affordability, 87.1% of the respondents were happy, 10.0% were dissatisfied, while 2.8% had no comments. Whether the company provides safe drinking water for workers and facilities for clean and sanitary food storage and eating, 81.4% of the respondents were satisfied, 12.9% were dissatisfied, while 5.7% had no opinion.

Regarding where relevant the company has put in place special health and safety precautions for pregnant women, employees with disabilities, night workers, young workers and other vulnerable groups, 30.0% of the respondents said yes, 17.1% said no, while 52.8% had no knowledge about the issue.

Human Rights: Hours, Wages and Leave Working hours

When asked if the company ensure that the workweek is limited to 48 hours; that overtime is infrequent and limited; and that workers are given reasonable breaks and rest periods, more than half (54.3%) of the respondents answered in the affirmative, a little more than one third (34.3%) replied in the negative, while 11.4% of them did not know. When asked if the normal company working hours are limited to 48 per week by both company policy and practice, or fewer if provided by national law, collective agreement or industry standards, majority (92.9%) replied in the affirmative, 5.7% answered in the negative, while 1.4% had no idea.

To the question if overtime is infrequent, remunerated at premium rate, and does not exceed 12 hours in any one week, or 36 hours per month, more than one third (35.7%) said yes, 45.7% answered in negative, while 18.5% did not know. When asked if the company has a system to plan, record and monitor hours worked by each employee, and regularly evaluates whether the number of workers is sufficient to meet production targets without resorting to overtime, 38.6% said yes, more than half (54.3%) said no, while 7.1% did not know. Where overtime per worker systematically exceeds 12 hours per week, the company increases its workforce to correspond to production targets, or puts in place measures to increase worker productivity and reduce overtime, 22.9% respondents said yes, more than two thirds (68.6%) said no, while 8.5% did not answer. When asked if workers are allowed at least 24 consecutive hours of rest (or more if provided by national law or industry standards) in every seven day period, most (80.0%) of the answers were positive, 15.7% did not agree, while 4.2% had no comment. To the question if the company ensures that workers have no less than a 30-minute break for every 4 hours of work (or more if provided by national law or industry standards) and that workers are allowed to use toilet facilities whenever necessary and not just during designated breaks, 58.6% said yes, more than one fifth (21.4%) said no, while one fifth (20.0%) did not answer.

Wages

When asked if the company provide a living wage that enables workers to meet the basic needs of themselves and their dependents, 44.3% of the respondents agreed, 41.4% disagreed, while 14.2% had no comments. To the question if it is company policy to provide workers with a living wage sufficient to meet basic food, clothing and housing needs and provide some discretionary income for themselves and their dependents, less than two thirds (64.3%) answered in the affirmative, 17.1% replied in the negative, while 18.5% did not say any

thing. When asked if the company is aware of whether the legal minimum wage in the country of operation meets the requirement for a living wage, 78.6% of the respondents said yes, 12.9% said no, while 8.5% did not answer. If no national minimum wage is established, or if national minimum wage standards are insufficient to meet the basic needs of workers and their dependents, the company calculates a living wage based on the cost of living in its area of operation, 58.6% of respondents said yes, 27.1% said no, while 14.2% did not answer.

Regarding the part-time workers receiving wages and benefits that are proportionate to those of full-time workers, and receive overtime compensation at a minimum of 1.25 times their hourly salary, 17.1% agreed, 58.6% disagreed, while 24.2% did not respond. To the question if the company pays wages at regular intervals and does not take deductions from wages for disciplinary measures or other deductions not authorised by national law, 21.4% replied in affirmative, 64.3% answered in negative, while 14.2% did not answer. About the bonus and piece-rate payment systems being monitored to ensure that the total salary paid meets living wage requirements without resort to overtime, 21.4% responded in the affirmative, 70.0% in the negative while 8.5% did not respond.

Leave

When asked if the company ensure that workers are paid holiday leave, sick leave, and parental leave in accordance with international minimum standards, more than one fifth (21.4%) responded with a yes, 61.4% with a no, while 17.1% did not know. If workers are granted at least three weeks of paid holiday leave per year or more if required by national law or collective agreements. Part-time and short-term workers are provided with paid holiday leave proportionate to the number of hours worked, at a rate equal to that of permanent full time employees, 30.0% said yes, 45.7% said no, while 24.2% did not reply. Regarding the workers being entitled to paid sick leave in accordance with the applicable national law. If sick leave is not provided for in national law, the company consults with union or worker representatives to establish alternative means of protection in case of illness or injury, more than one third (37.1%) agreed, 44.3% disagreed, while 18.5% did not comment. About the company ensuring that sick leave is not deducted from workers' vacation time, less than a quarter (24.3%) agreed, 58.6% disagreed while 17.1% did not know.

Whether female workers are entitled to no less than fourteen weeks of paid maternity leave per child, 15.7% said yes, 72.9% said no, while 11.4% did not know. About the company granting compassionate or parental leave to workers who have recently adopted a child or children, or have taken on the responsibility to care for foster children or other dependent children. Only 1.4% said yes, 90.0% said no, while 8.5% did not know.

Human Rights: Fair Treatment Non-harassment

When asked if the company protect workers from workplace harassment including physical, verbal, sexual or psychological harassment, abuse, or threats, 58.6% said they do, 27.1% said they do not, while 14.2% did not answer. About the company having a commitment to prevent workplace harassment, 55.7% said yes, 30.0% said no, while 14.2% did not know. If the company actively informs workers of their obligations to refrain from violent, threatening or abusive conduct, 60.0% answered yes, 15.7% said no, while 24.2% did not know. Whether managers receive training on how to identify and deal with instances of harassment in the workplace, 55.7% said they do, 32.9% said they do not, while 11.4% did not know. If the company investigates all complaints of workplace harassment and takes appropriate preventative and disciplinary action including reporting of criminal actions to the appropriate authorities, 61.4% said they do, 31.4% said they do not, while 7.1% did not know.

Discussion and conclusion

From the results obtained we can see that the industrial units in Thyma Industrial Estate in Welayat of Nizwa, in Al Dakhliya Region correspond to the UNGC standards in Principle 1, as follows. For Health and Safety Systems, the industrial units rate quite well. Over two thirds of the UNGC Standards are fulfilled by these units. This a reasonably good standard maintained by the units. Regarding the provision and usage of protective equipment and training in health and safety measures in the industrial units, over half of the units are

following the guidelines of UNGC. Although this is an important area, more work is required to improve the compliance within the industrial units.

Regarding the involvement of the employees in health and safety measures, the units showed a relatively low involvement of 30%. This maybe attributed to the cultural norms, but the inclusion of the stakeholders in health and safety measures would ensure more effective health and safety in the industrial units. As for the working hours, 54.3% rating was observed in the units studied. This shows that by and large the units are adhering to the laid down laws and rules. About the wages 44% of the units are adhering to the rules. This needs to be improved and more needs to be done to improve the situation. The leaves condition is quite poor with 21.4% of units fulfilling the UNGC criteria. However the employment status is ranked at 44.3% which seems better when compared with the rest of the indicators. In non-harassment measures, the units have a high rating at 58.6%. This shows the good values followed by the industrial units and non-discrimination practiced. However it is offset by the employee privacy which is compromised acutely in the units.

In conclusion we see that the industrial units in the Thyma Industrial Estate, located in Walayat of Nizwa in the Al Dakhliya Region of the Sultanate of Oman, rates reasonably well in the UNGC established Principle 1. The overall rating in Principle is 42.8%, while the rating is health and safety is at 50%, working hours, wages and eaves at 41.4% and fair treatment of employees at 37.1%. There is always room for improvement and this can be taken as a baseline for charting the improvements in the future.

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