

Employment Regulation Strategies for the Modern Workplaces and Global Economy

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Overview

- The Key Challenges:
 - Diversity in Workplaces and in the Workforce
 - Global Scope of Value Chains (where work is done)
 - Weakening “Countervailing Power” of Unions
 - Declining Government Resources
- Alternative Responses-Public & Private
- Beyond National Regulations?

Industrial Model of the Employment Relationship

- Large Firm
- Long Term Employment
- Clear Division of Roles—Management and Employees “Exempt or Non-exempt” in U.S. Parlance
- Implicit: Male at Work; Wife at Home...
- Union Present or Threat of Union
- No Ambiguity Who is the “Employer”

Today's Realities

- Multiple Organizational Forms
 - Traditional large firms but focused on “core competencies;” fewer broad integrated firms
 - Work spread through global value chains
 - Expansion of franchising, contracting, privatizing...
 - High priority on start-ups and small establishments
- Increased Workforce Diversity
 - Two working parents
 - Immigrants and migrants
 - Global options for sourcing work—greater cultural diversity
 - Diversity of employment rights—sometimes doing very similar work
- Weakening of traditional unions; rising roles of NGOs

Challenges

- Ambiguity over “Who is the responsible employer?”
 - The sad story of petrochemicals—from Texas to Britain to the Gulf Coast disaster
 - 1989: 22 contract workers killed in Texas chemical plant
 - 2005: BP Texas City plant explosion resulted in 15 deaths
 - 2011: BP, Haliburton, Transocean Deepwater Horizon oil spill—11 killed, Billions of liabilities....but who was the employer?
 - 2013 Bangladesh factory collapse: 1,200+ killed: Who is responsible?
 - Close to home:
 - Hotel on MIT land; Leased to Hotel Chain; Options to contract out multiple jobs; and fight over union organizing....who is responsible for controlling management behavior?
 - U.S. Government Big Buyer of Sweatshop Goods

Factory Collapse, Bangladesh, April 24, 2013: over 1,200 Workers Killed (3,310,000 Google Entries)



DAVID WEIL
The Fissured Workplace

WHY WORK
BECAME SO BAD
FOR SO MANY
AND WHAT CAN BE DONE
TO IMPROVE IT



Toward New Regulatory Strategies: Legislative Updating??

- Efforts to define employer as the entity that sets standards for the deliverables—product or service
- Revision of “exempt-non-exempt” and/or “management” and “non-management” rules
- The U.S.: We will be the last to provide paid family and/or sick leave
- And then there is our failed labor law

Alternative Regulatory Strategies: Beyond Command and Control?

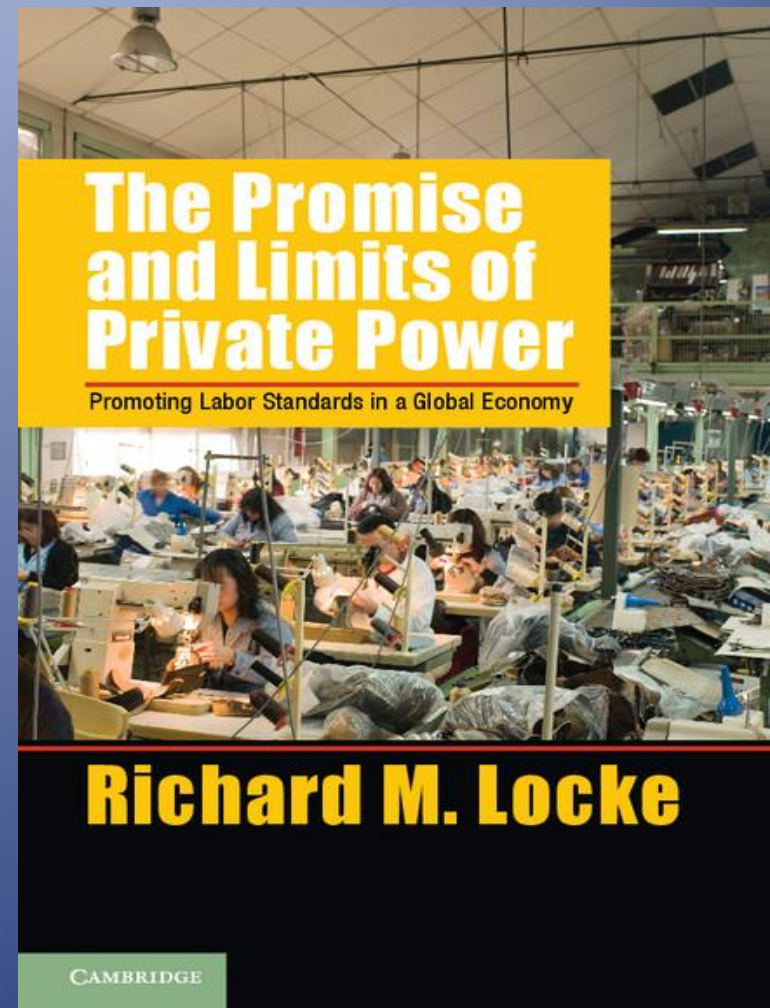
- Two Track Options—carrots and sticks
 - Targeting most egregious violators;
 - Flexibility for how to meet standards for firms with demonstrated records of compliance
- Private Institutions—unions, NGOs, community group advocates as complements/allies in enforcement
- Identifying points of greatest leverage in value chain “Hot cargo” concept in U.S. labor law
- Beyond compliance: technical assistance, advice, best practices, information sharing, etc. for firms to learn how to meet standards and improve performance
- Coordination across individual enforcement agencies—common data base of compliance across all employment standards/regulations?

What if this were you???



Regulating Global Value Chains: What we are Learning

Richard Locke, *The Promise and Limits of Private Power*



Key Elements in an Integrated System for Managing Employment Practices in Global Supply Chains

- ▶ Corporate Codes of Conduct
- ▶ Reliable, Credible Auditing Metrics
- ▶ Transparency—sharing data
- ▶ Full Disclosure of where products are sourced/produced
- ▶ Engagement with NGOs
- ▶ Integrated state-of-the-art operations and HRM practices
- ▶ Effective enforcement of labor laws
- ▶ Independent and on-going worker representation
- ▶ Smoother, predictable procurement patterns
- ▶ More equitable distribution of profits
- ▶ Ongoing education, training, and accountability

Next Generation Institutional Complements

- Unions
 - Global Alliances—UNITE; UNI Global Union...
 - Local Alliances—growing role in U.S.
- NGOs
 - Traditional arms length expose' role
 - Growing role in auditing/engaging employers
- International Agencies
 - Is the ILO stepping up????—Cambodia; Bangladesh?
- Large MNCs
 - European firms more willing to work with multi-stakeholder consortia, including unions
 - Transparency and reporting: Nike: <http://www.nikeresponsibility.com/>
 - Industry Associations

Necessity and Invention

- No single solution in place
- Need era of experimentation and learning
- Need for renewed government leadership
 - Will the U.S. Department of Labor be reborn???
 - Will the U.S. government become a responsible purchaser-contractor and use its leverage?
- Will we update the full range of labor and employment policies to catch up with the changing workforce and workplaces?
 - Work-family policies
 - Wage and hour policies
 - Labor law and policies
 - And a lot more.....needed and perhaps to come some day!