

Joel Buckberg Comments on NLRB Joint-Employer Status in Compliance Week

A recent statement from the National Labor Relations Board has raised major concerns among companies that rely on franchising. In a July statement, NLRB General Counsel Richard Griffin addressed labor complaints against fast food giant and franchise pioneer McDonald's, opining that when labor disputes arise the company can no longer insulate itself from complaints by claiming the independence of franchise owners. The memo suggests that the purported firewall between corporate and local owners isn't enough for the chain to avoid being considered a joint employer and McDonald's can no longer take a hands-off approach to labor matters because it exerts too much control over locally owned restaurants.

In this Compliance Week article, Joel Buckberg notes that non-franchised businesses that rely on outsourced staffing structures are also watching the NLRB's decisions closely. The cases may affect "any business that uses temporary staffing, sub-contractors, or other employment arrangements where people who are engaged in activity at the line level are not necessarily controlled by the people who own the business," says Mr. Buckberg. "It calls into question a number of fairly widespread employment practices that before now were relatively well understood in terms of how to structure them so companies wouldn't be a joint employer."

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