

McTrouble

By Reg P. Wydeven
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Last week I wrote about a Russian lawsuit filed against McDonald's, claiming the restaurant chain did not meet the nutritional standards set by the Russian government. Not only is the fast food juggernaut having trouble on foreign soil, it's having problems at home, too.

The general counsel of the National Labor Relations Board, which was created to protect employee rights and prevent unfair labor, recently instructed its regional offices to treat McDonald's as a co-employer of workers at its franchises. By doing so, McDonald's would actually be liable for employee claims against individual franchises.

The NLRB's decision to treat McDonald's as a co-employer was in response to seven federal lawsuits filed across the country in May by employees claiming they were being treated unfairly.

According to the suits, McDonald's and franchise owners failed to pay employees for overtime, had not reimbursed employees for buying and cleaning their uniforms, and even forced them to work after shifts without any additional pay.

As a result, the NLRB's new policy would force McDonald's corporate headquarters to oversee its individual franchisees' labor practices. Supporters of the ruling believe McDonald's should be responsible for its franchisees' employees, claiming the chain oversees every other aspect of its restaurants' operations. Labor activists assert that McDonald's owns the vast majority of the actual restaurant sites, sets menus and pricing, and dictates most restaurant procedures. Supporters of the NLRB ruling feel McDonald's micromanages everything but wages, so to make a go of their franchises, individual owners don't have much flexibility when it comes to pay or benefits.

The NLRB's decision is based on the Fair Labor Standards Act. Passed in 1938, the Act establishes minimum wage, overtime pay, employment recordkeeping, and child labor standards in both the private and public sectors. The Act also says that anyone who establishes working conditions is considered an employer. Because of this, the NLRB feels McDonald's falls under this category.

The ruling not only applies to McDonald's, but all other franchises as well. Opponents of the holding believe the new policy will force franchisors to scrap their current operations. Detractors feel that if franchisors, like McDonald's, are going to be treated as an employer, they might as well be one, meaning they will operate all of their locations themselves.

McDonald's claims it is not involved in individual franchises' decisions to hire, fire or pay their workers, and, therefore, should not be held liable for their labor practices. Accordingly, McDonald's is expected to appeal the NLRB's ruling to an administrative law judge.

I find it curious that while America is more sensitive than ever to healthy eating, especially in the wake of Michelle Obama's focus on childhood obesity, the nutrition standards lawsuit against McDonald's was filed in Russia. While we fought the socialist agenda against the former Soviet Union during the Cold War, the employee rights suits against McDonald's were filed in America.

Anyway, if McDonald's gave their employees a Big Mac, fries and milkshake during each shift, I'm sure that would fix all their labor problems. It would definitely appease me.

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