Beware of the Four-Letter Word — NLRB!

How To Support Your Franchisees With Joint Employer Issues Looming

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Today’s Discussion

• NLRB’s Joint Employer ruling overview
• Legislative update – where are we now?
• Ruling’s impact on franchising
• How can it affect you?
• What can you do to prepare?
• Get involved
## Joint Employer Changes

<table>
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<th>BEFORE</th>
<th>AFTER</th>
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<td><strong>Old Joint Employer Standard</strong>&lt;br&gt;(1968-2015)</td>
<td><strong>New Joint Employer Standards</strong>&lt;br&gt;(2015 - ?)</td>
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Businesses are joint employers only when they share “direct and immediate” control over matters governing the essential terms and conditions of employment.

Two part test that looks at direct, indirect, and potential control:
1) The initial inquiry is whether there is a common law employment relationship with the employees in question.

2) If this relationship exists, then the question is whether the putative joint employer possesses sufficient control over employees’ essential terms and conditions of employment to permit meaningful collective bargaining.
   - Fact based test that must be decided on case-by-case basis.
Impact on Franchising

• Dramatically increases risks for franchisor
• Potential to add payroll and HR expenses
• Tightens controls over franchisees due to franchisor liability
• Franchisee becomes more of an employee
• Possible brand deterioration
• Reduces support for franchisees
What Can You Do?

• No voice or business is too small
• Get involved with your local leaders
• Leverage local relationships
• Become member of IFA’s FAN and take action
• Engage your franchisees to get involved
• Review existing agreements
www.FranchiseActionNetwork.com

www.SaveLocalBusinesses.com
Q&A