



Distribution & Supply Chains In the Crosshairs: The DOL's Focus On Contractors & Temps

Insights

8.05.14

From **Industrial Distribution.com**

Tue, 07/01/2014 - 3:09pm

Howard Mavity, Partner, Fisher Phillips

In my first article, I described efforts by unions and third parties to attack and embarrass distribution employers. This article will discuss the U.S. Department of Labor and other federal and state government agencies' focus on supply chain management and distribution. The Administration, unions, and many academics do not like the methods by which manufacturers manage their supply chain or the way in which distributors handle the product. They distrust the shift of non-core functions from large, often unionized, vertically integrated manufacturers to specialized companies.

  The theory is that the contractors are under such competitive pressure that

they will ignore OSHA requirements and will fail to pay for all hours worked or for overtime premiums. The assumption is that part of the reason manufacturers hand off certain functions is to escape liability for wage and safety violations. Moreover, critics believe that temporary and other non-traditional employees receive inadequate supervision and safety training. As I typed this article, I saw a legal alert that summed up the attitude of the government:

“California lawmakers are swiftly pushing forward a bill designed to curb the practice of employers hiding behind staffing agencies to shield themselves from workers compensation and wage violations...”

Or how about this explanation from OSHA's head, David Michaels, for OSHA's focus on temporary employees and employers who use them:

"Host employers need to treat temporary workers as they treat existing employees. Temporary employers share control over the employee and are therefore jointly responsible for temp employees' safety..."

Managing Temporary, Lumpers, Contractors, and Other Non-Routine Employees

Many distributors use temporary workers or logistics companies to manage seasonal and other workforce fluctuations. OSHA is concerned, not without reason, that temps may not receive the same supervision and training as full time employees. Similarly, many employers use temps in the warehouse setting as temp-to-perm, which is basically an audition period for full-time employment. So here are a few tips:

(CONTINUE READING AT INDUSTRIAL.DISTRIBUTION.COM)

Related People



Howard A. Mavity
Partner
404.240.4204
Email