

Labor Standards Compliance and Worker Complaints

New Data and Insights

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EMPLOYEE RIGHTS

UNDER THE NATIONAL LABOR RELATIONS ACT

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U.S. Department of Labor



Job Safety and Health
IT'S THE LAW!

EMPLOYEE RIGHTS

UNDER THE FAIR LABOR STANDARDS ACT

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- A saf
- Raise

FEDERAL MINIMUM WAGE

\$7.25 PER HOUR

BEGINNING JULY 24, 2009

The law requires employers to display this poster where employees can readily see it.

OVERTIME PAY

At least 1½ times the regular rate of pay for all hours worked over 40 in a workweek.

Violations are common



The screenshot shows the top portion of The Guardian's website. The header is dark blue with the site's logo in white. Navigation links for News, Opinion, Sport, Culture, and Lifestyle are present, with 'News' highlighted by an orange underline. A yellow menu icon is on the right. Below the navigation bar, a horizontal list of regional links includes World, Europe, US, Americas, Asia, Australia, Middle East, Africa, and Inequity. The main headline, in a large red serif font, reads: 'I have not seen one cent': billions stolen in wage theft from US workers.

The Guardian Eur ▾

News | **Opinion** | **Sport** | **Culture** | **Lifestyle**

World | Europe | **US** | Americas | Asia | Australia | Middle East | Africa | Inequity

'I have not seen one cent': billions stolen in wage theft from US workers

Violations are common

The New York Times

More Workers Are Claiming 'Wage Theft'



Share full article



1.2K



Violations are common

THEWRAP.

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New York Times Accused of Wage Theft as Paper Prepares to Remedy Unpaid Overtime | Exclusive

An internal NewsGuild memo says the newspaper owes \$122,742.17 in unpaid overtime to union members



4/25

Motivation
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Data
○○○

Violations
○○

Complain Behavior
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Complaints are key to enforcement



U.S. DEPARTMENT OF LABOR

Wage and Hour Division

WHD > [Contact Us](#) > How to File a Complaint

How to File a Complaint

Many investigations are initiated by complaints, which are confidential. The name of the complainant, the nature of the complaint, and whether a complaint exists may not be disclosed. [An employer cannot retaliate against a worker for exercising their rights](#), filing a complaint or cooperating with an investigation.

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Issues with Complaint-based Enforcement

	High Noncompliance	Low Noncompliance
High CR	<u>QUADRANT 1</u> High Complaints High Violations	<u>QUADRANT 3</u> High Complaints Low Violations
Low CR	<u>QUADRANT 2</u> Low Complaints High Violations	<u>QUADRANT 4</u> Low Complaints Low Violations

Weil and Pyles (2005)

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Literature on Complaint Behavior

- Unions facilitate the exercise of workers' rights (Budd et al., 1997; Weil, 2024; Fine et al., 2010; Morantz, 2013; Sojourner et al., 2022)
- "Broken windows" (Weil, 2012)
- Cost-benefit analysis (Yaniv, 1994)
- Retaliation fears and experiences (Clibborn et al., 2023)
- Local labor market conditions (Badaoui, 2022)

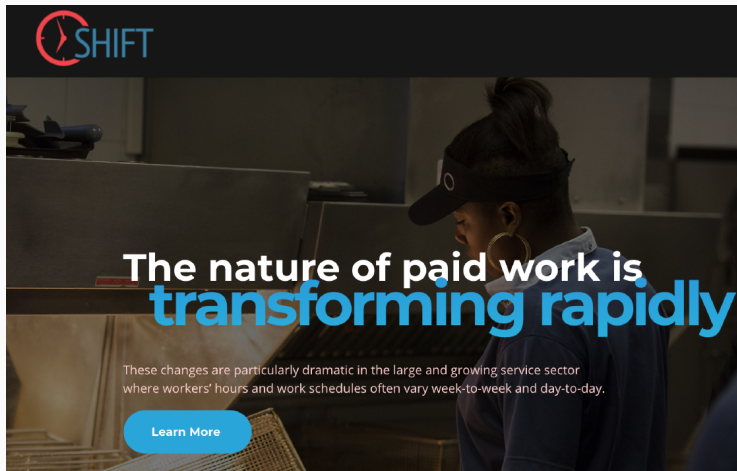
Limits of existing data

- CPS data: Indirect measures of MW violation, but no info on complaint behavior
- Wage and Hours data: Only captures complaints to government institutions

Questions

- What do workers actually do in response to violations?
- How often do they complain?
- To whom do they complain?
- What influences their complaint behavior?

Shift Project data



<https://shift.hks.harvard.edu/>

10/25

Shift Project data



11/25

Motivation
○○○○○○○○

Data
○○○○○○

Violations
○○○○○○

Complain Behavior
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- Sample of 14,196 employed hourly workers in service-sector
- Matched employer-employee data (establishment level)

- Sample of 14,196 employed hourly workers in service-sector
- Matched employer-employee data (establishment level)
- Not a probability sample
- Sampling frame: Users of FB and Instagram.
- Potential biases and weighting techniques discussed on Harknett and Schneider (2020)

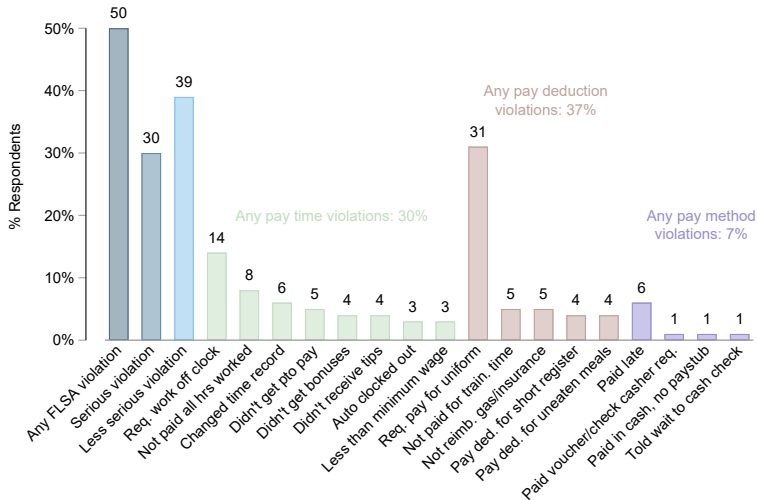
- Detailed measures of FLSA violation.
- Detailed measures of complaint behavior, retaliation faced, and retaliation feared

Measuring violations through work experiences

Please tell us if you have experienced any of the following since you started working at your job at \${e://Field/EMPLOYERNAME}. **Mark all that apply.**

- ☐ Have been required to perform tasks before clocking in, or after clocking out
- ☐ Have not been paid for all hours that I worked on the clock
- ☐ Timekeeping system automatically clocks me out, not paid for work time after that
- ☐ Manager changes the time records to shave time from my paycheck.
- ☐ Have not received the full and correct amount of money for tips
- ☐ Have not been paid commissions or bonuses I was owed
- ☐ Have not received pay for paid time off
- ☐ ✱ None of these

Measuring violations through work experiences



Overall Complaint Patterns

Table 1: FLSA Violations: Breakdown by Number

	Any FLSA
Any complaint	21%
Only complained internally	19%
Only complained externally	0%
Complained both int and ext	2%
<i>N</i>	2087

Internal Complaint Channels

Table 2: Complaint behavior

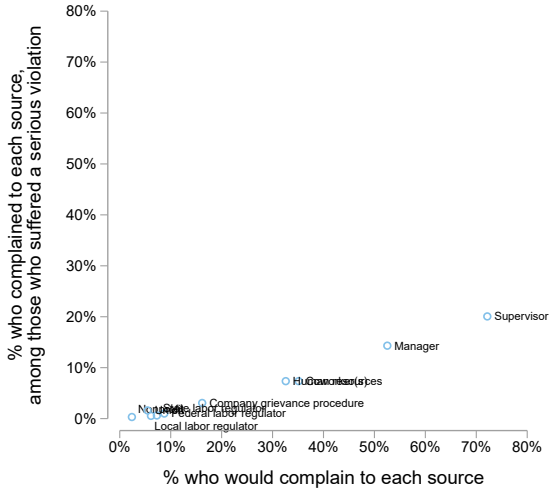
	Any FLSA
Any internally	21%
Coworker	5%
Supervisor	15%
Manager	11%
Company grievance	2%
HR	6%
N	2087

External Complaint Channels

Table 3: FLSA Violations: Breakdown by Number

	Any FLSA
Any externally	2%
Any government institution	1%
City/County	<1%
State	<1%
Federal	1%
Any third party	1%
Union	1%
Non-profit	<1%
N	2087

Actual vs. Hypothetical Complaint Behavior



Internal Complaint Channels

Table 4: FLSA Violations: Breakdown by Number

	No internal complaint	Internal complaint
No external complaint	1639	402
External complaint	10	36

Preliminary regression results

Table 5: Factors Influencing Complaint Behavior - Overall

	(1) Model 1	(2) Model 2	(3) Model 3
Serious FLSA violation	0.19*** (0.02)	0.18*** (0.02)	0.18*** (0.02)
Three or more violations	0.04 (0.04)	0.03 (0.04)	0.03 (0.04)
Immigrant			-0.07 (0.09)
County Unemployment			-0.00 (0.02)
Union member			0.12** (0.05)
Observations	1,685	1,685	1,685
Adjusted R-squared	0.054	0.056	0.060
Other Controls	No	Worker's Demog	Worker's Demog
Fixed Effects	State, Month and Industry	State, Month and Industry	State, Month and Industry

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Preliminary regression results

Table 6: Factors Influencing Complaint Behavior - Internal

	(1) Model 1	(2) Model 2	(3) Model 3
Serious FLSA violation	0.16*** (0.02)	0.15*** (0.02)	0.15*** (0.02)
Three or more violations	0.07* (0.04)	0.06* (0.04)	0.06* (0.04)
Immigrant			-0.06 (0.09)
County Unemployment			-0.01 (0.01)
Union member			0.03 (0.05)
Observations	1,685	1,685	1,685
Adjusted R-squared	0.042	0.042	0.041
Other Controls	No	Worker's Demog	Worker's Demog
Fixed Effects	State, Month and Industry	State, Month and Industry	State, Month and Industry

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Note: The dependent variable is making a complaint to an internal entity only

Preliminary regression results

Table 7: Factors Influencing Complaint Behavior - External

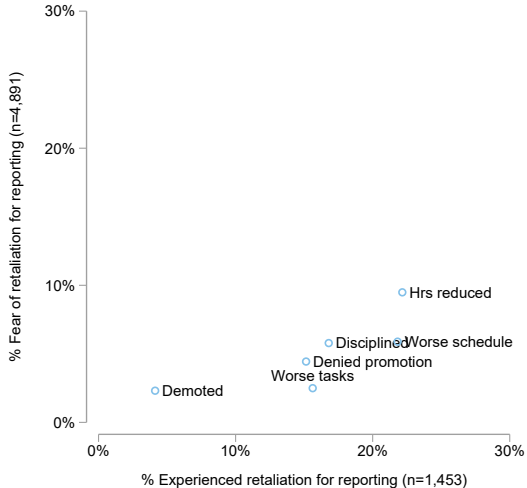
	(1)	(2)	(3)
	Model 1	Model 2	Model 3
Serious FLSA violation	0.03*** (0.01)	0.03*** (0.01)	0.02*** (0.01)
Three or more violations	-0.02** (0.01)	-0.02** (0.01)	-0.02** (0.01)
Immigrant			-0.00 (0.01)
County Unemployment			0.00 (0.00)
Union member			0.09*** (0.02)
Observations	1,685	1,685	1,685
Adjusted R-squared	0.038	0.041	0.065
Other Controls	No	Worker's Demog	Worker's Demog
Fixed Effects	State, Month and Industry	State, Month and Industry	State, Month and Industry

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Note: The dependent variable is making a complaint to an external entity^{23/25} (regardless of making an internal complaint)

Fear vs. Reality of Retaliation



Violations are pervasive

