
HRM304 · SESSION 8 OF 11

Labour Relations, Ethics & Institutional Frameworks

*Who sets the rules of the workplace —
and how much room does HR actually have?*

Lukas Wallrich · Birkbeck, University of London
Visiting Lecturer · SWUFE · June 2026

Today, in three parts

Who sets the rules

The institutions, not just culture, that decide what HR can(not) do.

Same move, 4 countries

One restructuring decision in four very different systems. What can HR do in each?

Where's the line?

The ethics HR might wish to standardise: gifts, audits, and “respecting local culture”.

CHUNK 1 OF 3

Who sets the rules?

*Laws, unions, and the state shape the workplace
too —*

and they decide what HR can and cannot do.

DISCUSS

讨论

05:00 · quick hands, no paper

ONE MOVE

A company is losing money at one of its factories and wants to cut **20% of the staff** there — **next month**.

TALK IT THROUGH

- ① In **China**, can HR just do that — or does something have to happen first?
- ② Would your answer change in the **US**, or in **Germany**?

Varieties of capitalism

Liberal market

US · UK

Markets
coordinate.
Flexible hiring and
firing; weaker
unions;
shareholder
pressure.

Coordinated market

**GERMANY ·
JAPAN**

Relations
coordinate. Strong
unions, works
councils, long
tenure, patient
finance.

State- influenced hybrid

CHINA

Market
competition plus
state direction and
relational
expectations.

*HR differs because of **law, finance, training, and unions**, not
national character. Use a type as a question to ask, never a box to
label a country with. (Hall & Soskice, 2001) (Witt & Redding, 2013)*

Three ways workers get a voice

Trade unions

Bargain pay and conditions. **Strike-backed** in pluralist systems.

Works councils

Elected staff who must be **consulted** on workplace changes, alongside the unions that bargain pay.

Collective consultation

Employer and worker reps agree rules and wages, **without** independent bargaining power.

*Each gives HR a **different counterpart** to deal with. (Traub-Merz, 2011)*

The ACFTU

The legal mandate. Under China's Trade Union Law, unions **represent and safeguard workers' legitimate rights and interests.**

How it works. Improving labour relations through equal-footed consultation and collective contracts at the enterprise.

The scale. The All-China Federation of Trade Unions is the largest union federation in the world.

This is the legal mandate; how much independent influence the union has in practice is debated. (Traub-Merz, 2011)

The same move, three reflexes

German manager

CONSULT FIRST

Reflex: the works council must be asked **before** any shift change or headcount move.

US manager

ACT FIRST

Reflex: decide and move now; deal with any fallout afterwards.

Chinese process

CONSULT, DIFFERENTLY

Collective consultation and contracts, not independent, strike-backed bargaining.

Each can misread the others: how fast a change can happen, who must agree first, what recourse workers have. The gap is in the expectations, not in anyone's "character".

The ILO floor

A global baseline. The ILO's fundamental conventions cover freedom of association and collective bargaining, no forced or child labour, no discrimination, and safe and healthy work.

Ten of them, and only a floor. A tenth (safe and healthy work) was added in 2022. They are the minimum, not a high standard — and signing up is not the same as enforcing: usable inspections and complaint channels decide whether a right is real.

There is a floor below which “respect local culture” stops being a defence. [\(International Labour Organization, 2022\)](#)

You've met the rule-makers: laws, unions, councils, the floor.

*Now take **one** HR decision into four of these systems and see what HR can and cannot decide.*

CHUNK 2 OF 3

Same move, four countries

One restructuring decision, four institutional settings.

How much can HR really decide?

The move on the table

One decision, the same everywhere. Your company wants to close a loss-making plant of **300 people** quickly, and bring in **individual performance pay** where work continues. The pressure comes from head office abroad.

Restructuring is where institutional differences bite hardest, and where HR has the least freedom to improvise.

Your four settings

Germany

COORDINATED MARKET

Works councils, social plans, the dual system.

USA

LIBERAL MARKET

At-will employment, thin consultation, notice rules.

China

STATE-INFLUENCED HYBRID

Consultation, collective contracts, statutory severance.

Brazil

DEPENDENT / EMERGING

Costly dismissal, high bargaining coverage.



Open your card — the four settings, with the rules that matter: swufe-cchrm.pages.dev/s8inst

GROUP TASK

小组
任务

15:00 · groups pick 2 settings

PICK TWO SETTINGS — READ BOTH, THEN ANSWER
FOR EACH

- 1 Can HR just **act** — or what is legally required first?
- 2 Who must be **consulted**, and who has to **sign off**?
- 3 What is the worker's **realistic** recourse or voice?
- 4 One thing a manager at **head office abroad** would get wrong.



Your card is here: swufe-cchrm.pages.dev/s8inst

REPORT-BACK

反馈

YOUR SETTING

What is required **first**, who **signs off**, the worker's **recourse**, and the HQ manager's **wrong assumption**.

AS WE GO

- ① What are the differences between settings?
- ② How are they related to culture?

Institutions decide what HR can do

Same decision, very different freedom. Routine in one country, near-impossible in another. That is institutions, not “how direct people are”.

Voice channels decide who you must bring along. A council, a union, a consultation process — or nobody. Each changes the sequence and the speed.

“We’ll just run the global playbook” is how MNCs get blindsided. (Walmart in Germany, once more.)

*Culture still shapes the conversation (and institutions) —
but some (legal) constraints bite harder.*

*Institutions tell you what you **must** do and **can't** do.*

*But much of HR lives in the grey zone between:
legal in one place, a bribe in another, fine on paper but
wrong in the room.*

CHUNK 3 OF 3

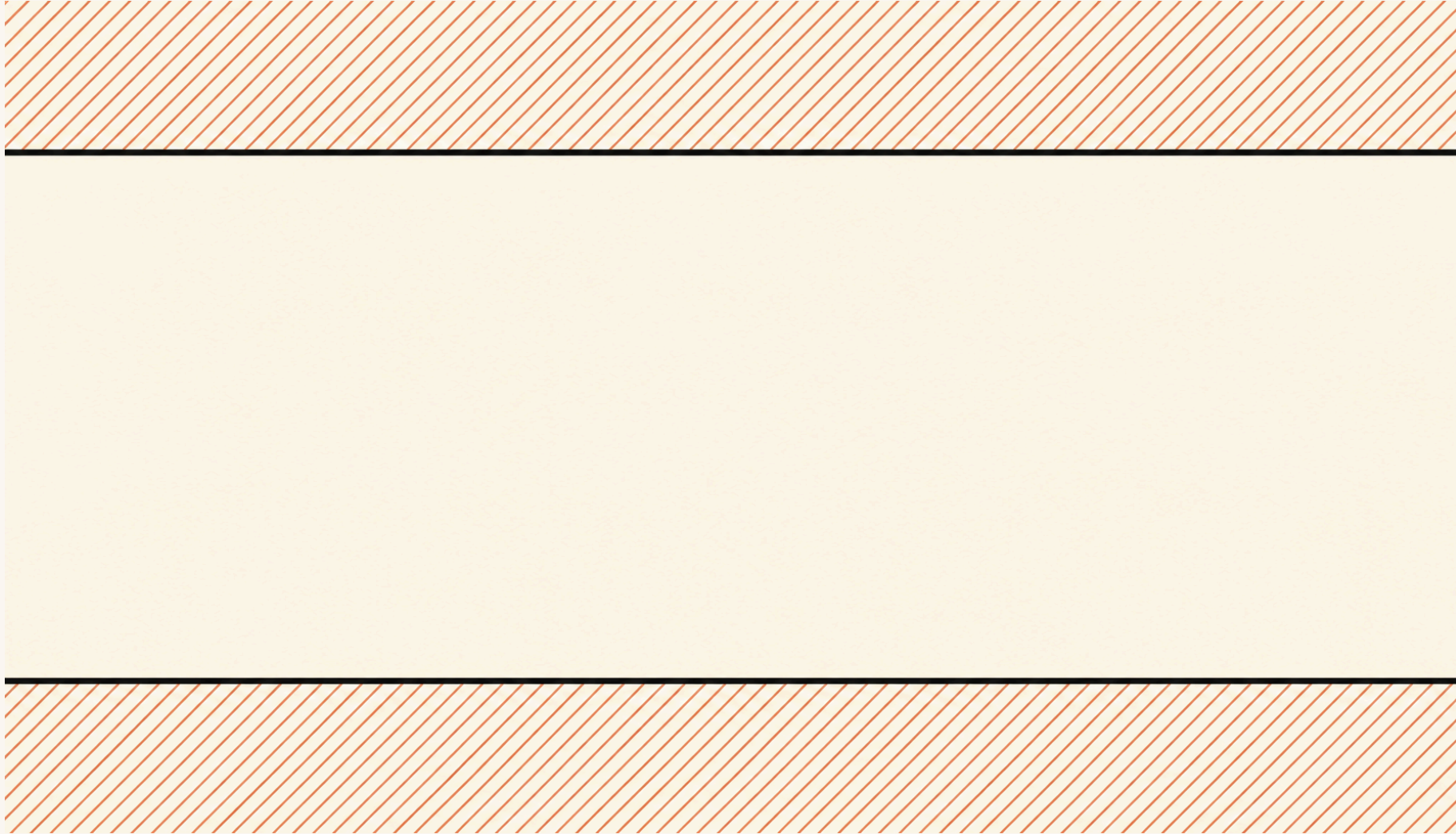
Where do you draw the line?

Legal in one place, inappropriate in another.

The ethics HR can't standardise away.



Ethical standards: a floor and a ceiling



*Below the **floor** (law and the ILO core), “local custom” is no defence: that is complicity. Above the **ceiling**, imposing every home-country standard everywhere is overreach. HR’s real work is the band between, where debates happen.*

The line with teeth: gift or bribe?

UK Bribery Act. Proportionate, genuine hospitality can be fine. But **facilitation payments are bribes**, anywhere in the world.

US FCPA. Bans bribing officials, with a narrow exception for **small payments that only speed routine paperwork**. Gifts still carry risk.

China enforces too: GSK (2014). A roughly ¥3 billion fine (about US\$489m) for paying doctors. Relationship-based selling crossed a hard legal line.

“Everyone does it” is not a compliance test.

(UK Ministry of Justice, 2011)

SORT THE SCENARIOS

Clearly OK · Legally risky · Ethically risky · Needs more facts. A card can be risky in both ways.

ON YOUR PHONES

- ① Sort every card into a box.
- ② For the hard ones, note the exact extra facts you'd need before deciding.
- ③ Be ready to say where your group **disagreed, and why.**



The cards are here — sort them on your phone:

swufe-cchrn.pages.dev/s8ethics

REPORT-BACK

反馈

THE SPLITS

Which card did your group argue about most? Where did it land, and **why**?

THEN

- ① A card you put in “**needs more facts**” — what single fact would move it?
- ② Where might a colleague from another country disagree with you most?

“Respect local culture” — when is it an excuse?

The discrimination request (no women in the room) sits at the floor, but it is the hardest call under commercial pressure.

The guanxi instruction sits in the grey zone: legal until it buys a decision it shouldn't. Beware.

Proportionate hospitality is genuine adaptation, but crossing the line can be very costly.

Respect is right until it crosses the floor. Then “that’s just how it’s done here” is doing the work of a cover story.

Who is responsible down the supply chain?

The law now reaches the buyer. New rules make big firms answer for conditions at their suppliers (France, Germany, an EU-wide law coming). Courts have even let workers sue the parent company itself.

Audits are the main tool — but they miss a lot. They catch safety gaps, but miss coercion and blocked unions ([Anner, 2020](#)). After Rana Plaza (2013, 1,134 killed), a binding agreement with worker complaint channels did better ([Locke, 2013](#)).

*An audit with no way for workers to speak up measures paperwork,
not real conditions.*

Looking ahead

Next

Block 9: **your group presentations**. Bring this labour-relations and ethics lens into your case.

Reflection

An easy start: a disagreement between workers and employers you've seen settled — how much freedom did HR have? Full prompt on the assessment page.

After

Block 10: **AI in CCHRM**, including the surveillance ethics we parked today.

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