



HOUSE OF COMMONS

Business and Trade Committee

Oral evidence: Employment at Mcdonald's Franchises, HC 195

Tuesday 14 November 2023

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Members present: Liam Byrne (Chair); Ian Lavery; Anthony Mangnall; Andy McDonald; Mark Pawsey.

Questions 1-52

Witnesses

I: Ian Hodson, National President, Bakers, Food and Allied Workers Union and Nikki Pound, Women's Policy Officer, TUC.



Examination of witnesses

Witnesses: Ian Hodson and Nikki Pound.

Chair: Welcome to this morning's session of the Business and Trade Committee, where we are investigating some extremely serious allegations about the workplace culture at McDonald's. Ian and Nikki, thank you so much for joining us. Could you say a word of introduction so that we have that for the record?

Ian Hodson: I am Ian Hodson, national president of the Bakers, Food and Allied Workers Union.

Nikki Pound: I am Nikki Pound, TUC national women's officer.

Q1 **Chair:** Ian, perhaps I could come to you first. The allegations that have been revealed by the BBC, and many of the allegations that have come to you as a union, are extremely serious. The BBC first covered this story in July, and further allegations came to light last week. When did your union first become aware of these problems?

Ian Hodson: We launched a campaign in about 2014. The aim of the campaign was to talk about low pay. We were having a £10 an hour campaign to abolish youth rates and end the use of zero-hours contracts. It became pretty clear as we started that campaign and started talking to workers in McDonald's that one of the biggest issues they faced was sexual harassment, which actually led to the first strikes at McDonald's. A lot of that centred around the way people felt they had been exploited, abused and harassed in the workplace.

Q2 **Chair:** Do you have a sense of how many complaints you have received so far? If you think back over what is nearly a decade, to 2014, what is the tally?

Ian Hodson: Every worker we spoke to raised the issue of the toxic culture inside McDonald's. It was common, whether it was the way they were spoken to, the way they were treated, the acceptance of being touched in the workplace or the use of language. It was common and it was normal, which it obviously should not be.

Q3 **Chair:** Do you have a sense of how many complaints there have been?

Ian Hodson: I know that in 2019 the suggestion—and it has never been repudiated by McDonald's—was that 1,000 people had brought that issue to McDonald's. That was part of the reason why the EHRC then got involved—because of the reporting of those incidents. The issue was, like I say, significant. We were talking to many workers across McDonald's at that time, and they were all telling us the same thing. We had quite a significant number of people joining the union as well at that time—it was just before covid. Obviously, during covid, we were not able to have that same interaction with workers, but following covid we have started having discussions again with them. They have seen the recent legal agreement



HOUSE OF COMMONS

between the EHRC and McDonald's, but they are suggesting to us that nothing has really changed. A bit of a tick-box exercise is going on, and maybe some videos are being shown, but they are suggesting to us that the culture is not much different to what it was previously.

Q4 **Chair:** You said that McDonald's have not pushed back on that number.

Ian Hodson: No. I am not aware that they have, and I have never seen any anything to suggest otherwise. We join together with other trade unions across the globe—in the United States and Australia and across Europe. Funnily enough, where McDonald's do recognise trade unions—in places like New Zealand and in some of the Scandinavian countries—we do not have the same issues. But where there is no union recognition, and where we are fighting to get union recognition, it is pretty common that we have these issues.

Q5 **Chair:** Have you continued to receive reports and allegations since the EHRC agreement was brokered?

Ian Hodson: We have; we continue to get people coming forward. I do not know whether these are new claims or whether people feel a little more confident because of the BBC and the coverage the issue has had. Obviously, we are grateful that the EHRC took these issues very seriously, and I know from talking to some of the people that suffered in these workplaces that they are very grateful that they have finally been listened to. They did not think they would ever be listened to; they were always of the belief that they were unimportant and that the way they had been treated was not of relevance to anybody as long as profits were made by the company. They are pleased, and they have said how important it was to get that judgment, because of the way they have suffered.

Q6 **Chair:** Nikki, in your experience of working on this issue, have you found that workers experiencing sexual harassment share similar protected characteristics? For example, are cases of harassment particularly gendered? Do they relate in the main to younger workers? Can you give us any sense of the nature of these complaints and the patterns you have seen?

Nikki Pound: Yes, absolutely. It is really important to say that anyone can experience sexual harassment. In terms of the culture at McDonald's, the testimonies that I have heard and that we have read suggest racism, and it is intersecting with other issues as well. I think it is really important to state that.

We know that sexual harassment is more of a gendered issue, so women are more likely to experience it. We did some research as far back as 2016—the report was one of the first of its kind about sexual harassment in the workplace—and we found that half of all women had experienced some form of sexual harassment in the workplace. We recently revisited that research and did some polling of younger women, and we found that two thirds of women between the ages of 25 and 34 have experienced sexual harassment, bullying or verbal abuse at work. Most of these cases



HOUSE OF COMMONS

are not isolated incidents; they are not one-offs but a repeated pattern of behaviour.

We also did research back in 2021 that highlights the experiences of LGBT+ workers. It showed that seven in 10 LGBT+ workers have experienced sexual harassment in the workplace, and the rate is similar for disabled women. We also have research about the experiences of BME workers in the workplace, and over a third of BME women say that the discrimination and harassment they face in the workplace is on the basis of sex and race. So we see groups that have protected characteristics and that are already marginalised in the workplace and the labour market, and these experiences are compounded for them. Again, it tends not to be single incidents; it tends to be a repeated pattern of behaviour.

The other point to highlight—to the question of how many people come forward—is that in our research four out of five people on average do not come forward and do not report, because of the fear of reporting and of further victimisation. It is often those people who will be victimised further.

Again, looking at the testimonies we have heard from McDonald's workers, these are younger workers. It is often their first time in the workplace. They are often on insecure contracts, zero-hours contracts. Why would you come forward if the threat is that you are going to lose your hours and your pay? That is a really powerful way of stopping people coming forward and of setting a culture where people feel they might be further penalised by managers and other colleagues.

Q7 Chair: Younger workers are particularly vulnerable.

Nikki Pound: Yes, absolutely. Different sectors will have different issues to deal with, but younger workers in the workplace are definitely particularly vulnerable.

Q8 Anthony Mangnall: I want to get a better understanding of the numbers, because I think this is important. Ian, you were first alerted five years ago to a significant number of complaints across the McDonald's franchise. Can you give us a better indication of the actual numbers? The BBC documentary refers to 100 people, which is obviously 100 people too many, but I am trying to get an understanding of the scale, given that 135,000 people across the United Kingdom work for McDonald's. What are you seeing? That is the first part of my question.

The second is about how many complaints you are receiving versus what the BBC might have received, and whether they are translating through to you. The third is about the percentage increase in union representation. How many more members are you getting compared with five years ago, when these allegations, these complaints, first came through? How much has your membership increased?

Ian Hodson: On the numbers of people who have come forward, it is not as simple as saying, "We've had 1,000 complaints." We have had people in every shop we have spoken with—



Q9 **Anthony Mangnall:** How many people have you spoken with?

Ian Hodson: We have done all the McDonald's stores in London. I don't know how many there are, but we have been in all of them—then the company got pictures of our organisers and stopped us going in. We spoke to as many workers as possible in all the stores in London and across the south, where most of our organisers were based.

Q10 **Anthony Mangnall:** Could you provide that information to us? It is important to get a sense of the scale. There are 1,450 McDonald's across the United Kingdom, and your team must know how many you have been into. If you don't have the number at your fingertips, don't worry, but could you supply it?

Ian Hodson: I can ask that question. I do not have the information on me. The reality is that you go in and talk to workers, who tell you about the incidents happening in those stores and the situations that people face. All the girls at one of the stores that went on strike told us that there had been an issue with a particular manager, the guy who was normally responsible for scheduling their hours. He was also normally the one who took them on, so he did the interviews; he would give them their hours, then listen to their conversations and when they were planning something and he decided that he had maybe taken a liking to one of them, he would cut their hours. Over the next few weeks, they would start to struggle because they were not getting enough hours. Then, he would take them to a hole in the wall machine and offer them money out of his own account, for "favours". He did that to all the young girls he took a fancy to in that store, which led to the strikes in 2017.

We found that that was not a unique case, because when people raised that problem, the manager was not disciplined; initially, the people raising the issue were threatened. When they became members of the union, the manager was moved to another store where he could continue to do that. It was only because they were able to warn that other workforce about that manager coming their way that McDonald's was forced to take action. All of a sudden, McDonald's started dealing with it differently.

Another young woman I represented who went to McDonald's corporate had been raped. She was in a relationship with the guy, but it had broken down. After falling out with her family, she found herself in a vulnerable position, having had to move out of the family home. She went to this guy, because she believed they had a friendship; he put her up on the settee, but believed he was entitled to have sexual relations with her, even though she was not willing.

Q11 **Anthony Mangnall:** These are horrific accounts, but what I am trying to get to is an understanding of the scale of the issue—

Ian Hodson: Let me finish on that particular case. Because of the nature of what had happened to her, this young woman was not able to see through her claim against McDonald's, even though she had recorded it on her phone and there was evidence of how she was treated—how the HR woman came in and put her hands on the young woman's shoulders, and



HOUSE OF COMMONS

you could hear her say, “Oh, I just remembered—you’re the girl who doesn’t like to be touched.” Because of the mental impact that had on her, she was not able to see her claim through.

It is very difficult to give you hard numbers, because McDonald’s has a history of paying people off and NDAs, so when we try to get that information, it becomes very difficult. People who raise a grievance are encouraged not to go through with it; otherwise, they face their hours being cut.

Q12 Anthony Mangnall: I know colleagues will ask about NDAs and other points, but can I just ask about the membership numbers? What has been the percentage change in membership of your union between five years ago and now, and can you boil that down to McDonald’s?

Ian Hodson: The membership in McDonald’s comes and goes. It was always going to be that way.

Q13 Anthony Mangnall: What is it? What is the membership now?

Ian Hodson: Over the last five or six years, we have probably had, from McDonald’s, somewhere in the region of 2,500 members.

Anthony Mangnall: Okay. Thank you very much.

Q14 Andy McDonald: Thank you for coming this morning. The evidence you have given is extraordinarily compelling. On the question of scale, I think we had an acknowledgement this morning from Alistair Macrow, the chief executive, that he found these allegations personally and professionally shocking, so there is no understating of the severity and significance of these incidents, and they are colossal in number.

I want to ask you about McDonald’s response to these reports of abuse—that is what they are. McDonald’s has written to us to describe existing processes allowing staff to blow the whistle on abuse, including its people services portal and global business integrity line services. Are those reporting mechanisms fit for purpose?

Ian Hodson: Our understanding is that when people raise grievances, they are actively encouraged not to take them forward. People who do, because of the nature of their contracts—zero-hours contracts—find that their hours are cut. There is general encouragement not to report incidents. That is one of the biggest problems we have faced.

Q15 Andy McDonald: I see in the global business integrity line services that there is a duty on the restaurant manager to conduct a survey of staff at least once a year. Given the enormity of the abuses, is that anywhere near to being an adequate or appropriate response? Nikki, do you have a view on the existing systems?

Nikki Pound: Yes. Safe reporting routes are absolutely fundamental. The question to be asked is: is this reporting route safe? Is it independent? Do staff feel confident that if they use it, it will not be used against them? Regarding the survey, we have developed resources on the steps that organisations can start to take to tackle sexual harassment and build



HOUSE OF COMMONS

preventative cultures, and having a regular review of what your organisation is doing and whether your staff feel like they are seeing a difference is an important part of that, but it is not enough on its own. It has to be part of a broader range of steps, including having safe, independent reporting routes and clear investigation processes that are also independent. Something that came across in some of the shared testimonies was that people were reporting, but who do you report to if the line manager you are reporting to is the problem, or is friends with the perpetrator? There is no one single action; it has to be part of a range of measures.

Q16 Andy McDonald: Of course, and one such is the new investigation handling unit, which McDonald's has established to investigate abuse in franchise restaurants. Have your members seen any positive results from the establishment of that unit? Has anything changed?

Ian Hodson: The feedback we are getting is that nothing has changed. A tick-box system has been put in place; there is an online video about the way things are supposed to happen. For us, although we welcome what the EHRC has done—we really do welcome it, even though we don't know the full details—what was lacking from that process was workers' involvement in it. There was no workers' or trade union involvement in that process.

To make a workplace safe, there has to be a system that makes people accountable. Unless a system is put in place that enables me to go to an independent source—a bit like a health and safety RIDDOR—register and get a reference number that has to be reported on annually by the employer, there is no accountability or proof. We were talking earlier about how many people have been sexually harassed, abused or discriminated against in McDonald's. Unless there is accountability in place that forces the employer to report so that the individual can make sure their issue has been received and dealt with, and forces the company say how it has dealt with the problem, we will unfortunately always be in the position of asking what the actual numbers are.

What we all want is to see people go to work and earn a living without being discriminated against. We talk about internal procedures, but the previous CEO is being sued for issues around sexual harassment and has to pay money back because a legal claim has been taken out against him. If we really want to see systems in place, there has to be a legal framework that makes employers accountable. All employers—not just McDonald's—should have to play by the same rules. There should be a way that an individual can independently register their issue, get a reference number and have the employer made aware of it. Then there will be accountability because it is registered. Nobody wants to see companies damaged, but if companies can't treat their workers with respect, they deserve everything that comes their way. I think that is important.

Andy McDonald: I just want to move us on to a directly related issue. Just to say, Chair, that if there is an existing claim, we don't want to



comment too much on it.

Chair: As of yesterday, there are no legal claims filed.

Q17 **Andy McDonald:** Well, reference was made to one, so I am just exercising some caution. This question is to both of you but, Nikki, perhaps you could start with this more generic issue. I want you to address the employment practices themselves. We have a structure here of a franchise system—that is of interest in itself, where responsibilities lie—and which makes extensive use of zero-hours contracts. Does that facilitate abusive behaviours? We have heard evidence from Ian about how that can be manipulated, but for a worker in that fragile, insecure position, is this not a logical consequence of the nature of the contractual arrangement entered into, or rather the absence of any proper contract with proper terms, conditions and protections?

Nikki Pound: Yes, absolutely. We hear all the time from members through our affiliates where the use of zero-hours contracts in their sector or workplace is more prevalent, that they create insecurity and mean it is really difficult for people to come forward, because the response will be, “You’re a troublemaker. We’ll take your hours off you.” You see that in a lot of the testimonies—the ones that were shared and the ones in the BBC report. We know that, in the labour market, the people who are more likely to be on zero-hours contracts are younger workers, BME workers, women and disabled workers. It is almost like the two are mutually compounding each other: the people more likely to experience discrimination are on these insecure contracts because of labour market discrimination, and when they are in the workplace, the contracts can be used as a tool to abuse them further and threaten them into silence. It is definitely an issue that needs to be addressed. Where the use of zero hours is more prevalent, we definitely hear from members that it is used against them.

Q18 **Mark Pawsey:** I want to follow on from Mr Mangnall’s questions about the extent of the problem. A 2018 Unite the union report found that 89% of workers in the hospitality industry said they had experienced one or more incidents of sexual harassment in their working life. That is nine out of every 10 people. Nikki, you referred to your report from 2016, which said that half had experienced sexual harassment. Whatever the numbers are, they are horrendous; these things should not be taking place. But is it really as serious an issue as that?

Nikki Pound: Yes, it absolutely is as serious an issue as that. As I say, we did this research in 2016; we repeated it this year. We have worked with other organisations that carry out their own research. I believe the GEO has done its own research that shows the extent of the problem. I think hospitality has particular challenges: the prevalence of insecure work, and a lot of younger workers, as you would imagine in the sector. People are working with the general public, which can create risks around third-party harassment, which there is currently not much protection from. It is across the workforce, and different sectors have different challenges to deal with, but it is a serious issue.



HOUSE OF COMMONS

Q19 **Mark Pawsey:** Clearly, the number of perpetrators will be lower because many of them will affect more than one person. I want to ask you about bad apple syndrome. Mr Mangnall referred to 135,000 employees; I heard from the franchise holder in my area that there are now 170,000 people employed by McDonald's across the country. In that number of people there are going to be a few bad apples. Are there proportionately more bad apples in McDonald's or the hospitality sector generally than in other walks of life and, let's say for the sake of argument, politics?

Nikki Pound: In recent months, we have heard a range of examples where sexual harassment happens in lots of different sectors. Obviously, today we are here to talk about McDonald's.

Q20 **Mark Pawsey:** My question is, is there a bigger problem in McDonald's and hospitality than in the workforce as a whole?

Nikki Pound: I think it is really important to look at the testimonies of the workers who have made it very clear that there is a real culture problem at McDonald's.

Q21 **Mark Pawsey:** You haven't answered my question. Is there a bigger problem in McDonald's and the hospitality sector than in the workforce as a whole?

Nikki Pound: This is why trade unions are so important, because it is actually the work of the Bakers union to bring these stories to light. In McDonald's and where they represent, a lot of workplaces don't have that union recognition, so we don't know the extent of it in each individual organisation. Clearly, from our research we know that half of all women have experienced sexual harassment in the workplace. That would suggest it is a problem across the work—

Q22 **Mark Pawsey:** Is that in the workforce or in McDonald's? Sorry, but let's be clear about this.

Nikki Pound: Across the workforce, but I don't want to get into this. McDonald's clearly has a problem with its culture. That came through so strongly in the testimonies.

Q23 **Mark Pawsey:** But I am trying to understand from you whether it has a problem that is greater than in the sector it is involved in and in the workforce as a whole. You don't seem to be answering that question.

Nikki Pound: Unite said that it has surveyed members from across the hospitality sector, showing that the issue is endemic and incredibly high there. From the testimonies, we hear that McDonald's has a significant culture problem. I feel like we are getting into that bad apple syndrome of, "Shall we name just one organisation?" I think it is very clear from the testimonies of the survivors at McDonald's that there is a real toxic culture there that is not being addressed. The leadership of that organisation is not taking it seriously. For us at the TUC, we as campaigners are looking at all workplaces, and that is what our research points to. It is clearly a problem across the workforce. McDonald's has shown itself to have quite a



significant toxic culture, and that is why we are here today to talk about its work.

Q24 Mark Pawsey: I asked the franchise holder in my area about the rate of staff turnover. He told me his rate of staff turnover was 42%. That is among younger workers and many people who were doing work on a temporary basis, and he thought that was a pretty good rate. What do you think of that?

Nikki Pound: I think that is a very high turnover rate, but I would also say that for those who don't leave—

Q25 Mark Pawsey: Turnover rate generally, or turnover rate for the industry?

Nikki Pound: I think that is quite a high turnover rate for the sector, but I would also suggest that those who don't leave may not be able to. In the most recent research we did on women working across the labour market, one in five had left their jobs because of the sexual harassment they had experienced, but not everyone is able to leave. In the current climate especially, it is not necessarily easy to go to another job. I think that is a high turnover rate. I used to work in retail, and I would be very concerned if that was my turnover rate of staff leaving.

Q26 Mark Pawsey: But many of these staff are people who are doing the job while they are at school, waiting to go off to college or move away. There is a pretty transient workforce in a business such as McDonald's, many of whom are young and in their first ever job.

Nikki Pound: Absolutely, but again, they could transfer—they won't necessarily leave the organisations in different sectors if you're doing the work to retain them and keep them engaged in the organisation. I think 42% is a high turnover rate in any sector.

Q27 Mark Pawsey: I would like to pick up a point Ian made, that if a manager was complained about they would be moved to another store. Of course, the majority of people operating a McDonald's restaurant are franchisees, and the number of restaurants operated by a franchisee varies. I chatted to my local operator, who employs 3,400 staff across 26 restaurants, but many of them are rather smaller than that. Presumably, it is the franchise holder who moves the manager who is complained about, and presumably he can only move that manager within the companies where he is the franchise holder, because that is his area of responsibility. Isn't that right, Ian?

Ian Hodson: You would have to ask McDonald's that. Our experience is that they cover each other's backs. Just going back to—

Q28 Mark Pawsey: So you're suggesting that a manager who is complained about and who is employed by one franchisee might be moved to the area of another franchisee?

Ian Hodson: It might go back to the corporate. I don't know. You'd have to ask McDonald's that, because obviously—

Q29 Mark Pawsey: But it was you who told us that the managers were



HOUSE OF COMMONS

moved. I am trying to establish whether they can move from one franchisee to another.

Ian Hodson: What I am trying to explain to you is that they would not tell us where that manager goes. If we don't find out, we don't know. They can tell us they are taking action—they can tell us the moon is made of green cheese—and we'd have to take their word for it. The reality is that they will do with their managers what they do with their managers. When we find out, and if we have members in that place, we make those members aware. If an issue is raised of a similar nature to the problems raised at the previous place they worked at, we make sure that they know how to deal with that issue.

It is not just young people, by the way. There's a lot of people who work for McDonald's in their 30s, as we found out, who have been there a long, long time. We can't just assume that this is just about young people—there is a wide range of people.

Q30 **Mark Pawsey:** I understand that, but when I asked the franchise holder in my area about the demographics of his staff, he said that 75% of them were under 26. That is very different from the workforce as a whole, I'm sure you agree.

Ian Hodson: That could be for a number of reasons, mainly because they pay youth rates, so they can pay them less money. You would have to ask McDonald's about that. What we believe is important is that as an individual going to work, they should be entitled to protection from sexual harassment, discrimination—

Q31 **Mark Pawsey:** Of course they should. Nobody is disagreeing with that at all.

Ian Hodson: The fact is that it is not just in the UK. This is a global issue that McDonald's is facing. Their previous CEO has a multimillion pound payment that has been set out against him.

Q32 **Mark Pawsey:** I also asked my franchise holder what the most important aspect of his business is, and he told me it was his staff, because he could not deliver his business without a motivated and effective team of people around him. As I said, he employs 3,400 people. Do you think he was lying to me?

Ian Hodson: I do not know who your franchise holder is and I have no idea whether we have had issues raised about the way he conducts his business. One thing that I do know, though, is that I have heard horrific stories and I have represented people who have gone through awful experiences working for—

Q33 **Mark Pawsey:** So is he unusual, then, in placing this very high value on the team of people who help him to deliver his business?

Ian Hodson: I do not know whether he is unusual, or unique. You have an awful lot of testimony. We, as a trade union, would be viewed as biased in the way we present our cases for the people we represent. The BBC is



HOUSE OF COMMONS

not in the game, nor does it have any skin in it. It has exposed what it has found, and that is why we are here today—because of the BBC putting these grave concerns into the public arena.

For us, as a trade union, the fact that the EHRC thought it was necessary to reach a legal agreement with McDonald's suggests to us that there is a real issue for McDonald's to deal with. We are happy to work with McDonald's to deal with that issue; to talk about how we improve that situation. We have always been happy to talk to McDonald's about how it will improve its health and safety, and how it makes sure it does not have a 42% turnover—because that is really high.

McDonald's is in the same place on the high street as, for example, Greggs, but Greggs has not got these issues. Its profits have not been hit because it has a recognition agreement with the Bakers, Food and Allied Workers' Union. The way that Greggs conduct its business is a really good model, and the people working there are not saying they have a serious issue with sexual harassment. But McDonald's staff are saying that, and it is also quite aggressive at stopping workers from being able to organise. I am not saying that is the reason why it has a massive issue. The BBC told you about it, not the Bakers union. It was the BBC, which is independent from us.

Q34 Ian Lavery: It has been really interesting to hear what has been said already. I read the papers preparing for this meeting, there is a whole number of whistleblower testimonies. Reading whistleblower testimonies is extremely important; they are the people who are at the coalface. They are the ones who have suffered, or otherwise, as a consequence of their employment. Reading the whistleblower testimonies and listening to what has been said by Nikki and Ian this morning, it appears that many of these franchises throughout the country are rife with sexual harassment, described in some of the papers as mainly from more senior male managers—quite often for favours. Again, it is quite frightening.

You can correct me if I am wrong, but it appears to me that these restaurants—not just the franchise restaurants, but the McDonald's restaurants per se, although I think around 97% are franchised—are quite seedy and grubby places to work for young people. Lots of young people, including some members of my family, feel as if it's a dream to get a job in McDonald's, but reading what I have in preparation for this sitting, it seems that these dreams quite often turn sour very quickly indeed. I am not listening to the BBC, or anybody else. I am reading testimonies from people who have actually worked in McDonald's restaurants, and that is really important.

Could you both say how McDonald's engage with any attempts by the union to raise the concerns of these workers in McDonald's franchises? How does McDonald's communicate with the union with regard to these complaints?

Ian Hodson: They ignore us.

Q35 Ian Lavery: Nothing at all?



HOUSE OF COMMONS

Ian Hodson: No. Unless we organise a strike and have a ballot of the members in those stores, McDonald's has no truck with us whatsoever. That is the only way we can communicate with McDonald's—organise a strike.

Q36 **Ian Lavery:** That is ridiculous.

Ian Hodson: It is ridiculous—absolutely.

Q37 **Ian Lavery:** You shouldn't have to organise a strike so that a major employer, whether it's 170,000 employees or 135,000 employees, which was in the papers—it shouldn't be the case that the only way they will speak to a trade union affiliated to the TUC is for you to arrange strike action. Ian, that cannot be the case.

Ian Hodson: Unfortunately it is. It's a shocking situation, because they have some really serious issues, and we have a lot of knowledge and skills about how to deal with these issues. We have plenty of experience; we have been around since 1847, so our knowledge is great against the food industry. We have offered to support McDonald's in dealing with some of the issues that they face. Most of the strikes end up with them having to deal with the things that our members have said are what they face as a problem, whether it's on health and safety, the exploitation of zero-hours contracts—we went to the European courts. We demonstrated the type of environment that McDonald's were operating. They even had a ruling against them through the European courts on their use of zero-hours contracts. Because of the pressure we applied to them, they then started to change the way they issued contracts of employment.

We have always had to do it either through legal bodies or by taking industrial action. It shouldn't be the case that for workers to be able to get protection, we have to organise a strike. People who are exploited in the workplace shouldn't have to wait for a union to come along to take industrial action for them to get the protection that they are entitled to. It should be a human right. I think it might be a human right; I'm not sure. Maybe in McDonald's they have a different understanding of it. I have daughters, granddaughters—and now a great-granddaughter—and I don't want my daughters abused in any way, shape or form when they go to work. I don't think anybody would want that. What is important is that McDonald's have an issue that needs to be dealt with and they need to take responsibility for it.

We need to make sure that this is the opportunity to make employers accountable for protecting people when they go to work. If nothing else comes out of it, making sure that our workplaces are safe is the critical element, from where I sit. It's not about organising McDonald's, so if they think it's just about organising McDonald's, it isn't. Most of the people we represented, by the way, were not in the union. They were people who came to us after the strikes that we held, because they needed support. Some of the stories are absolutely horrific, and it shouldn't happen. In the 21st century in the UK, it should not happen. When a global corporation, the second biggest employer in the world, which makes billions and



billions of pounds, can't protect their workforce, it's awful. They should be leading and being an example for others, but they are not.

- Q38 **Ian Lavery:** Nikki, if, in the wider hospitality industry, somebody, a young person—well, any person really—has a case, has an issue about sexual harassment in the workplace, and they report that, what would the normal procedures be to try to tackle that complaint?

Nikki Pound: This is part of the challenge and, again—to Ian Hodson's point—why it is so important to have unions in the workplace. It is because actually we don't know what every employer is doing. There obviously are legal protections under the Equality Act that say employers have responsibilities, but does every employer have a safe reporting route? Does every employer log every issue that is raised, whether it gets taken forward or not? Does every employer speak regularly to their workforce via the union or to the workers in general about what is going on in their workplace and how they feel about the culture? That might include incidents or things about the general culture of banter and inappropriate language.

To your point, when you read the testimonies of people working at McDonald's or the parents of people working there, something that comes through really strongly is how inappropriate a lot of the language and everyday culture is. If you have that type of culture every day, you are creating a permissible environment for incidents of sexual harassment and other forms of bullying and harassment. I think that is why it is so important, as Ian says, that we have a legal framework, but one that has accountability with it. That is where you can have unions holding those workplaces to account.

The EHRC is going to be responsible for enforcing the new preventive duty on employers: to take proactive steps to prevent sexual harassment. The EHRC needs to have the capacity and resources to do that—absolutely. You need to work with independent organisations, particularly when we are talking about sexual harassment and the spectrum of violence against women and girls that it sits in. You need to speak to independent organisations that work in the sector and know how to support and put practices in place that respond specifically to sexual harassment and sexual violence and the trauma that that can cause.

There is an existing legal framework, but it definitely needs to be strengthened. We also need to have the accountability mechanisms to enforce it. Employers have to be made to know what is going on in their organisations, and they have to respond to it. I don't know whether there will be questions on this, but the misuse of NDAs is a real problem, because that is another thing that stops us knowing exactly what is going on in workplaces. Particularly big corporations that have resources can use NDAs as part of a tactic to cover up what they do not know about their organisation or what they do know but do not want the rest of us to know.

Ian Lavery: I would—



Chair: Very briefly, please.

Q39 **Ian Lavery:** I have only one question. Mr Hodson, you said before that, compared with the UK, in other countries McDonald's franchises and restaurants recognise trade unions and do not have the same difficulties that we have here. Evidence shows that where trade unions are present and recognised, the incidence of sexual harassment and other complaints is vastly reduced. I think you have already answered this, but what is McDonald's' policy on engagement with the unions? You can answer in two or three words, if you want.

Ian Hodson: Obviously, it depends where you are. In New Zealand, they engage very well. In certain Scandinavian countries they engage very well. Here in the UK and in many places across Europe, and in the States, their engagement is minimal to nil. Like I say, our relationship with McDonald's is one where if we want a conversation with them the only means of generating that conversation is to take strike action.

Q40 **Andy McDonald:** This must be immensely damaging to the reputation of McDonald's, so presumably there is an imperative there. I want to explore with you the possible remedies for this. We know that we used to have 80% of the workforce covered by sectoral collective bargaining and union representation, but we are now below 25%. It seems to be part of the mix. How do we correct that? Is it going to be about enforcing better management and reform of the lower franchises? Is it about better enforcement of employment rights protections more broadly—perhaps even having a Ministry of labour to pull all that together? We have had promises about that to protect workers, but it has not happened. What do you see as the key issues that we should be looking at to deliver better protections for workers in these circumstances? Those questions are to both of you.

Ian Hodson: I touched on my feelings before, and I conveyed them to the EHRC when we spoke to them about the outcome. As much as we welcomed it, I thought the lack of involvement from the workers themselves was a huge issue. There should be workers' involvement. Obviously, where there is no trade union recognition, those workers should then be able to be trained in how to make sure that they know how to be part of that process.

Andy McDonald: The trade unions can't get across the door.

Ian Hodson: You were asking me about this particular issue. Obviously, there has to be accountability on the employer. If there is no reporting procedure in place, and this is why we are going down the path and are going to be talking to the TUC, on health and safety in particular, on the issue of a form of RIDDOR.

Q41 **Andy McDonald:** Absolutely. We should be picking up on that, shouldn't we? We should have those followed through, as we would an accident at work, in exactly the same way. My point is if you can't get across the door—if there is no right of access to trade union advice or representation—we are not going to get through this, are we? These



HOUSE OF COMMONS

cases will continue to slip through the net unless trade unions can enter the fray.

Ian Hodson: I would say that it is very unlikely that people who are unorganised will be able to get this issue resolved. I believe the reason this issue has come to the fore now is obviously the work we did alongside sister unions across the globe on raising this issue. Otherwise, it would have continued to be buried. The BBC breaking it here in the UK has made sure that it has become even more known in the public arena, but you are right that it should not be that way. It is getting workers to be able to have the freedom of association because a lot of our reps have been sacked off.

Normally what McDonald's do when they find one of our activists is they will isolate them, so they will put them on the drive-through. They will stop them having breaks with other workers. They will follow them to make sure that they do not have the opportunity to talk to other workers. They will stop them being like other members of staff who are now active in trade unions. They will stop them being able to sit in the restaurant at the end of their shift to talk to their work mates just in case. They have a deliberate and designed policy, and they invest an awful lot of money, by the way, in that. If they invested as much money in preventing the sexual abuse of workers as they do in keeping out the unions, maybe we would not be here today talking about the massive problem that they have.

Andy McDonald: And it would be elevated to the status of Greggs in terms of its corporate reputation.

Ian Hodson: You can compare it to Greggs. We haven't got the same issue—

Q42 **Andy McDonald:** Can I finish with Nikki? I want to get your professional assessment, because McDonald's has entered into this binding agreement with the Equality and Human Rights Commission to take a zero-tolerance approach to sexual harassment in its restaurants. What is your assessment? Are that agreement and that commitment likely to lead to any significant improvement?

Nikki Pound: I think it is really important that the EHRC was able to intervene in that way. As I said earlier, it does need the resources and capacity to be able to enforce that. Again, thinking ahead to the new legislation that is coming, it does need to be able to proactively support employers working with trade unions to ensure that those commitments are met. What we have heard in the testimonies from people working at McDonald's is that they have yet to see a difference, and this goes back to that question of accountability and how we can make organisations more accountable. That needs to involve trade unions, who are there to represent workers and who can speak to workers and feed that back to management.

As Ian said, we should think about this not just as an equalities issue, which is often where these types of things sit, but a health and safety issue. It is a safety issue in the workplace. The impact it has on people's



HOUSE OF COMMONS

health makes it a health issue, so what actually is, or could be, the role of the Health and Safety Executive in this type of work, thinking again about the different actors and levers we might have to hold people accountable? We need to ensure that this agreement is effective, but also think about what we can learn for all employers. There is more work to be done. There are no protections from third-party harassment, which is not what these testimonies are about, but a lot of people working in public-facing roles are subject to significant third-party harassment. Our affiliate, USDAW, published some new research yesterday about its members working in retail. We are going into Christmas, which is a very busy period for retail workers. Over half the shop workers who were spoken to have experienced verbal or physical abuse in the workplace, often from customers.

We also need to look at things such as union access, so that unions can work with employers. Unions are developing really good policies on what good practice in the workplace looks like and what a good investigation process looks like—whether it is formal or informal, and all these types of things. As we have talked about extensively, we need to look at what are the risks in different workplaces and taking a risk-based approach. We can clearly see in McDonald's that the use of zero-hours contracts compounds the risk for workers because they can be silenced by the threat of losing their hours. We could look at banning zero-hours contracts as a broader labour market mechanism, as well as extending tribunal time limits. The tribunal time limit is three months. Again, if you are dealing with any issue, but particularly a sexual abuse or sexual violence issue, three months to process that and think about coming forward will not necessarily be enough time for someone to be able to feel that they can take that case forward. There has also been a misuse of NDAs to silence victim survivors.

This agreement is really important. It has put a spotlight on McDonald's and the culture at McDonald's, but much more needs to be done to make sure that McDonald's and other organisations can be held accountable. The EHRC has a very important role to play in that, but lots of other partners need to be involved as well. We must not think that it's "job done" because there is a little bit of new legislation coming. There is much more that needs to be done to strengthen it and give workers the protection that they need.

Q43 Chair: Do you happen to know whether the EHRC agreement was at the initiative of the EHRC or was it initiated by McDonald's?

Ian Hodson: The EHRC.

Q44 Chair: Okay. Just a couple of questions to wrap up. Nikki, the law is unclear about the relationship between franchisers and franchisees. The courts will often look at a particular case and its details to test whether the franchisee is in effect an employee, and there are no specific laws that regulate the ongoing relationship between the franchiser and the franchisee after the franchise contract comes into effect. Is there a case for looking again at the law that governs the relationship between



HOUSE OF COMMONS

franchisers and franchisees?

Nikki Pound: I am not a franchisee law expert, but from what we have heard from the testimonies, it seems that there are a lot of issues around accountability. As part of looking at what needs to be done, that question needs to be considered to make sure that corporations that have that model can still be held to account. For McDonald's workers, it doesn't matter whether they are working in a corporate store or a franchisee store; they need those protections. If they are more vulnerable because they haven't got those protections, we absolutely need to look at that.

Q45 **Chair:** Ian, in a quickfire way, we have lots of testimony about some of the deficiencies in the remedies that McDonald's in its statement said it had put in. Do you recognise these examples as patterns of problems? First, testimonies say that there is sometimes a culture of silence and denial. One witness said, "Manager B told me that if they heard any more about the situation, I would face severe consequences and would be removed from the crew trainer program and would not be eligible for promotion." Is that something you've heard before?

Ian Hodson: That is quite normal.

Q46 **Chair:** Briefly, that is something you have heard?

Ian Hodson: Yes, that is normal.

Q47 **Chair:** Another said, "I was told that the matter would be investigated and then there was nothing done" or the following investigation just didn't happen. Is that something you recognise?

Ian Hodson: That is normal.

Q48 **Chair:** Someone else said, "We gave detailed names of individuals they could approach but no names were even written down or notes taken, and as far as we are aware they have not been approached."

Ian Hodson: That is normal.

Q49 **Chair:** There is then a second set of issues around training, discipline, knowledge and supervision. One of the whistleblowers said: "They would never discipline managers or fully trained crew members because they cost so little to franchisees and replacing them with new staff member is too much of a headache."

Ian Hodson: Yep.

Q50 **Chair:** Okay, you have heard that before. There is a programme called Leading Edge, which basically means that once a franchisee gets to a certain scale, there is a particular light-touch inspection regime. Some witnesses have said that this "means that franchisees could easily cover any HR mistakes, or just choose" the best restaurant for a visit.

Ian Hodson: The culture at McDonald's is to cover each other's back and to make sure that employees have very little opportunity to say anything negative about the boss or to raise any complaints or grievances. The only time that that changes is when there is an organised workforce that raises



HOUSE OF COMMONS

collective grievances. In one shop, we had to raise 20 separate grievances about the same manager before they were prepared to listen to the issue of sexual harassment.

Q51 **Chair:** The final set of issues is around conflicts of interest. Often, current allegations may be made, for example about sexual assaults, but they are then passed back to the franchisees to sort out themselves. In a sense, franchisees are marking their own homework. Is that right?

Ian Hodson: Once the union is involved, there is a difference because they normally get corporate to deal with us. When we are involved, there is a lot of corporate involvement in the way that they deal with the situation. If you are not in a union, you are going to be treated in a different way.

Q52 **Chair:** So we have issues around silence, we have issues around training and we have issues around conflicts of interest.

Ian Hodson: Yes.

Chair: Nikki and Ian, thank you very much indeed for your evidence.