

Article

From Pipe Dream to Meaningful Action: How MNEs Can Deliver Decent Work

Christiaan Röell¹, Anna Ocampo², Mustafa F. Özbilgin³

¹ University of New South Wales, Australia, ² ESADE Business School, Spain, ³ Brunel University of London, UK

Keywords: decent work, multinational enterprises, global supply chains, inclusivity, marginalized groups

<https://doi.org/10.46697/001c.145892>

AIB Insights

Vol. 25, Issue 5, 2025

Multinational enterprises (MNEs) wield significant power to shape labor conditions across borders. Yet, despite their reach, many continue to reproduce exploitative practices through outsourcing and fragmented supply chains. Drawing on research across multiple marginalized segments of the workforce, we highlight the structural barriers that marginalized groups face in accessing decent work. We propose actionable strategies MNEs can adopt to embed fairness, safety, and inclusiveness in their global operations. These include enhancing supply chain accountability, leveraging technology for transparency, implementing inclusive human resource policies, and promoting living wage initiatives. The strategies we identify are designed to equip MNE managers with practices to foster decent work arrangements in their resourcing, supply chains, and talent pools.

INTRODUCTION

Decent work, defined as productive employment that provides fair income, safe conditions, and equitable treatment, is central to individual well-being and societal stability (Blustein, Lysova, & Duffy, 2023). The International Labor Organization's Decent Work Agenda (2022) urges MNEs to extend these standards across their global value chains. Yet, ongoing socio-economic shifts, geopolitical tensions, and the disintegration of MNEs make decent work elusive. The benefits of decent work go beyond mere income as it fosters health, well-being, social inclusion, and upward mobility. It guarantees safe, secure, and stable working conditions in which people receive adequate rest, health-care, and compensation. Beyond the remunerative benefits of work, decent work ensures that people are free from abuse, harassment, and discrimination based on their characteristics (e.g., age, gender, ethnicity, and social status).

Substandard working environments are not confined to emerging economies as the resurgence of populist backlash against social welfare, erosion of job security, and rising inequality, disproportionately limit access to decent work conditions. Data from Switzerland (Masdonati, Schreiber, Marcionetti, & Rossier, 2019) and the UK (Dodd, Hooley, & Burke, 2019) indicate that the burden of pay squeeze is also experienced, largely by traditionally marginalized groups, increasing job stress and instability. They find themselves trapped in low-quality jobs that lack stability, social protection, and opportunities for advancement.

MNEs are uniquely positioned to promote decent work by virtue of their resources, global visibility, and influence. Globally, MNEs can become engines that enforce policies in support of human rights, affirmative action, and equality.

However, MNEs often fail to adopt decent work practices, evident in the rise of precariousness, income inequalities, and digitalization. This article examines how MNEs can transition from well-meaning rhetoric to concrete action. We identify key barriers to decent work for marginalized groups and outline actions for advancing fair and inclusive employment practices across their global value chains. Specifically, we develop a framework with key actions for MNEs to ensure that decent work is achieved for marginalized groups. Our strategies focus on strengthening accountability in MNEs' global value chains and building inclusive talent pipelines and are therefore of particular relevance for managers involved in resourcing, supply chains, and over-seeing talent pools.

OBSTACLES TO DECENT WORK

People who experience marginalization, i.e., the process of devaluation and relegation to a less powerful or excluded position within a society, have limited access to decent work. They are subjected to exploitation, lack of representation, persistent discrimination, and insufficient protection from income loss. Further, MNEs may inadvertently increase the vulnerability of employees as they implement piece-rate compensation systems compounded by poor health and safety standards. Indeed, MNEs that adopt a bottom-line mentality, where they pursue profit over labor rights may unduly pressure suppliers to cut corners on wages, safety, and worker protections. In the sections that follow, we describe decent work challenges confronting highly marginalized individuals: the working poor, migrant workers, LGBTIQ+ workers, and people with disabilities in MNEs and their global value chains.

THE WORKING POOR

Almost a quarter of the world's population are classified as working poor, defined as working people whose incomes fall below a given poverty line due to low-income jobs. While the rate of the working poor in highly industrialized cities is increasing, they are concentrated in regions such as Sub-Saharan Africa, South Asia, and parts of Southeast Asia, where informal employment dominates and social protections are limited. Among the working poor, women are overrepresented as they mostly earn their livelihoods in the informal economy working as garment laborers, domestic workers, and street vendors. In this environment, they are typically deprived of steady and sufficient income. Poverty is not simply about shortage of income, but it also constitutes restrictions in education and training that constrain dignified employment.

MIGRANT WORKERS

Most migrants have moved from low-income to high-income countries in search of better economic and social opportunities. They are recruited for low or unskilled occupations as their competencies tend to be misrecognized. They are also disproportionately engaged in unregulated jobs with high occupational injuries, xenophobia, mistreatment, and abusive supervision (Bernardo, Daganzo, & Ocampo, 2018). Migrant workers are typically represented in regions such as the Gulf States, Western Europe, North America, and parts of East and Southeast Asia, where a high demand for low-wage labor is accompanied by scarce socio-economic protections. The challenges for decent work in the migrant labor market are further segmented by gender, with men and women having stark differences in securing long-term employment contracts. Women migrants receive fewer job opportunities than any migrant group due to female labor market segregation concentrated in low-skilled occupations (UN Women, 2017).

LGBTIQ+ WORKERS

Globally, LGBTIQ+ workers are entitled to legal protection against discrimination in only 71 countries. Even fewer countries have supportive arrangements for labor market equality and inclusion for sexual orientation and gender identity, resulting in unacceptable levels of mistreatment, abuse, violence, and hate speech at work (Fitzsimmons, Özbilgin, Thomas, & Nkomo, 2023). Evidence further shows that LGBTIQ+ workers are increasingly marginalized, misrecognized and silenced (Röell, Özbilgin, & Arndt, 2024), hindering their career progression and access to social benefits. Backlash against sexual orientation and gender identity equality has been informed by populism and alt-right turn in politics.

PEOPLE WITH DISABILITIES

MNEs often hesitate to employ people with disabilities, or those who experience “long-term physical, mental, intellectual or sensory impairments” (World Health Assembly,

2013). There are 18 million working-age people with disabilities in the United States alone, but only 33% are employed. Although many actively seek employment, they remain underrepresented in the workforce due to persistent discrimination and the failure of employers to provide adequate accommodation. Indeed, some workers need protection from stigmatization that limits workforce participation and sustained employment.

HOW MNES FACILITATE DECENT WORK

Across their global value chains, MNEs employ a wide range of workers from various sectors of society. They benefit when they support decent work as they are less likely to face legal liabilities and suffer reputational damage. However, increasing global competition has led to the ‘hollowing out’ of working conditions in global supply chains, whereby employers shift risks and responsibilities onto workers—through subcontracting, informalization, or zero hour contracts—that increase the precarity of work (Brill, 2021). Retailers have begun to rethink their governance systems and compliance checks across their supplier factories due to persistent criticism. For instance, large fashion retailers have been the subject of criticism from the US Congress regarding their labor practices in foreign countries. US-based MNEs, such as Walmart and Amazon, have also received criticism for unsafe working conditions, low wages, and inadequate health care.

MNEs adopt different models for upholding decent work standards at home and in their foreign operations. They can actively provide a living wage that meets or exceeds local standards, create a safe and inclusive environment for employees, and advocate for change in the wider society. By upholding the safety and security of a diverse workforce, they can attract and maintain a skilled talent pool essential to productivity. [Table 1](#) presents our framework on key actions that managers can implement to ensure that decent work is achieved for marginalized groups; the actions are discussed below.

STRENGTHENING ACCOUNTABILITY IN MNES' GLOBAL VALUE CHAINS

The United Nations Guiding Principles on Business and Human Rights has urged MNEs to conduct due diligence on human rights issues, particularly concerning their global value chains. Despite existing regulatory protections, persistent threats to decent work conditions are pervasive in sectors such as agriculture, construction, and hospitality, particularly affecting migrant and precarious workers (Fudge & Strauss, 2014). MNEs that outsource their value chains tend to outsource their responsibilities, creating uneven access to decent work. Below, we propose several initiatives for MNEs to tackle entrenched social inequalities that compromise decent work.

First, MNEs' headquarters should mandate foreign subsidiaries and suppliers to adopt working policies that actively monitor work processes and compensation schemes. For example, Unilever has committed to providing a living

Table 1. Advancing decent work in MNEs' global operation

Focus areas	Questions for managers	Recommended action	Examples
<i>Strengthening accountability in MNEs' global value chains</i>			
Accountability across global value chains	How are we enforcing decent work standards across our subsidiaries, suppliers, and partners?	Mandate policy adoption across subsidiaries and suppliers.	Require all suppliers to sign a decent work code of conduct; publish an annual supplier compliant report; conduct regular, independent third-party audits.
Technology for transparency	Do we use digital tools to identify and reduce labor rights violations?	Implement digital tools for supply chain visibility and compliance.	Create a digital supply chain dashboard that tracks labor conditions and flags violations in real time, such as through "smart disclosures."
Standards and auditing	Are we using globally recognized standards to improve working conditions?	Integrate decent work criteria into supplier evaluations and set targets for corrective actions.	Require ISO 9001/14001/45001/26000 compliance; conduct internal audits for continuous improvement; anonymous hotlines.
Living wage and compensation	Are all workers, including in outsourced roles, earning a sustainable living wage?	Map and align pay to local living wage benchmarks; avoid piece-rate compensation structures.	Launch a global "Living Wage Initiative" with region-specific benchmarks and timelines for implementation.
<i>Building inclusive talent pipelines</i>			
Inclusive hiring for marginalized groups	Are we proactively recruiting and retaining workers from traditionally marginalized groups?	Create tailored HR strategies for marginalized groups.	Set diversity hiring goals, build partnerships with inclusion-focused NGOs, and invest in inclusive onboarding.
Support for migrant workers	Are migrant workers offered fair treatment, training, and social protections?	In addition to offering a living wage, provide social benefits (e.g., health insurance and housing).	Offer multilingual training and support sessions, legal assistance, mentorship programs for migrant workers, and fund skills academies.
Gender inclusion policies	Are our gender-inclusion policies applied consistently group-wide, and do they reduce barriers to women's sustained participation?	Mandate, standardize, and monitor family-friendly policies.	Childcare support, flexible scheduling, maternity protection.
Allyship for LGBTIQ+ inclusion	How do we support LGBTIQ+ workers in restrictive contexts?	Promote covert allyship strategies where public support is not feasible.	Train managers on subtle allyship practices, introduce confidential channels for LGBTIQ+ support and feedback.
Disability inclusion	Are we creating accessible pathways for people with disabilities to contribute fully?	Train managers, adapt recruitment processes, and offer adequate accommodation.	Conduct regular accessibility audits; offer workplace adaptations and inclusive job design training.

wage for all their employees, including those who are employed by their suppliers, by 2030. For suppliers, these policies should include frequent visits, using certified third-party audits, and increasing transparency about suppliers. Value chain accountability becomes increasingly complex as many MNEs are part of ecosystems involving employees, suppliers, partners, and distributors and customers with divergent interests. Accountability in global value chains is important in all industries, and improving work standards in MNEs' wider value chain may depend on how they manage interactions with first- and second-tier suppliers. In contexts where regulatory enforcement is weak, MNEs should work to forge partnerships with governments to ratify and enforce decent work regulations to avoid competitive disadvantages.

Second, MNEs should use technology to increase transparency and reduce human rights violations. MNEs can em-

bed smart disclosure in their systems by sharing information through digital technologies to enhance data access and connectivity across users. Wang et al. (2024) demonstrate that 'smart disclosure' reinforces accountability and bolsters monitoring of responsibilities in global supply chains. Conversely, when supplier operations remain opaque, MNEs face significant challenges in identifying and addressing human rights risks within their global supply chains.

Third, MNEs should adopt internationally-recognized management system standards such as ISO 9001 (quality), ISO 14001 (environment), and ISO 45001 (occupational health and safety), which provide certifiable frameworks for continuous improvement through internal audits and corrective action. In addition, ISO 26000 offers non-certifiable guidance on social responsibility, including fair labor practices. Together, these standards establish a common lan-

guage and benchmarks that transcend national legal variations, helping firms to define, measure, and monitor practices across their global value chains. While not prohibiting practices such as piece-rate compensation, ISO frameworks encourage firms and suppliers to identify risks to decent work, strengthen accountability, and develop collaboration between workers and managers to remedy problems.

Together, these strategies can support decent work and the advancement of SDG 8.8: safe and secure working environments. MNEs may convert broad policy aspirations into actionable strategies such as third-party audits, traceability technologies, and certification standards. However, where public governance is weak, MNE-led schemes may substitute for formal labor regulation, raising concerns as rule-making shifts from elected bodies to private actors with limited public scrutiny, diminished worker voice, and fewer democratic checks.

BUILDING INCLUSIVE TALENT PIPELINES

The ability of MNEs to generate sustainable productivity across their subsidiaries partly rests on their capacity to develop inclusive human resource strategies for vulnerable groups. This requires investments in attracting and retaining a diverse talent pool, appealing to capable yet marginalized candidates in the labor market.

First, MNEs should build appropriate and coherent initiatives to include historically disadvantaged workers and to increase their participation in the labor force. Covert allyship provides a viable route to fostering inclusive cultures within a diverse workforce. Recent research from Western MNEs in Indonesia shows how managers can become covert allies for LGBTIQ+ employees in contexts where public support is not feasible (Röell et al., 2024). Covert allyship may allow companies to avoid potential backlash; however, because the support remains hidden, it neither shifts workplace norms nor produces visible policies, leaving no collective signal or structural change that actually fosters inclusion.

Second, MNEs should provide wider implementation of inclusive policies that offer migrant workers opportunities for upward mobility, skills development, and integration into formal labor markets. Migration research highlights that marginalized workers rarely gain employment in large companies, due to barriers such as lack –or lack of recognition– of qualifications. Although MNEs often provide relatively better working conditions, more stable contracts, and stronger legal protections compared to local employers, migrant workers in MNEs are also more likely to leave their employers relative to those employed in non-MNEs (Andersson, Castellani, Fassio, & Jienwatcharamongkhon, 2022). This may be due to ongoing threats to their legal rights to live and work in their host countries. Consistent with principles outlined in the ILO's Decent Work Agenda and the UN Guiding Principles on Business and Human Rights, MNEs have a duty to protect their foreign workers especially in contexts where national protections are weak or absent.

Third, headquarters should adopt and diffuse targeted strategies to endorse gender-sensitive recruitment practices, training and mentorship programs, and equitable promotion pathways. While MNEs are widely recognized for providing employment to a substantial number of women worldwide, only 17% of employees in the subsidiaries of the world's largest MNEs are female (van der Straaten, Pisani, & Kolk, 2024). Human resource practices are of strategic importance and therefore tend to be organized and controlled centrally and diffused to subsidiaries. MNEs' headquarters should mandate subsidiaries to adopt family-friendly workplace policies (e.g., childcare support, flexible scheduling, and maternity protections) to reduce barriers that constrain women from sustained workforce participation.

Fourth, MNEs should build inclusive pipelines to promote the inclusion of people with disabilities. Virgin Media created a disability awareness guide for line managers to consider candidates throughout their recruitment and selection process. MNEs, such as EY and Microsoft, have also begun to introduce initiatives to employ neurodivergent individuals, specifically those with autism and diverse cognitive abilities. This is a sustainable human resource practice that can ease talent shortages and contribute to organizational diversity and innovation. Doing so advances SDG 8.5: full and productive employment and equal pay for people with disabilities.

A FINAL NOTE FOR MANAGERS IN MNEs

MNEs serve as a crucial pillar in the realization of decent work on a global scale. By embedding inclusive, transparent, and accountable employment practices into their operations and supply chains, MNEs can mitigate labor exploitation and foster equitable economic growth. Managers must move beyond compliance-driven approaches and embrace proactive strategies from inclusive recruitment and fair compensation to digital monitoring and covert allyship. Decent work should not be seen as a luxury or a corporate social responsibility afterthought. It is a business and moral imperative. Our framework offers a practical guide for managers to implement these principles, allowing them to translate broad commitments into targeted, actionable strategies across global operations, particularly those at the margins.

ACKNOWLEDGEMENTS

This research was funded in part by the Spanish Ministry of Science, Innovation, and Universities awarded to the second author (PID2023-152155NA-100).

ABOUT THE AUTHORS

Christiaan Röell is a Lecturer in International Business at UNSW Business School, in Sydney, Australia. His research examines how multinationals navigate political environ-

ments - especially in Southeast Asia - and how firms work with government agencies to advance the UN SDGs. His research has been published, among others, in the *Journal of International Business Studies*, *Journal of Management Studies*, *Human Resource Management*, *Journal of Business Ethics*, *Journal of Business Research*, *Journal of World Business*, and the *British Journal of Management*.

Anna Carmella Ocampo is an Assistant Professor of Organizational Behavior and Human Resource Management at ESADE Business School. Her research examines the interplay of dispositional and contextual factors in explaining people's performance, career success, and leadership effectiveness. Her research has been published, among others, in the *Journal of Applied Psychology*, *Journal of Organiza-*

tional Behavior, and *Journal of Vocational Behavior*.

Mustafa F. Özbilgin is Chair in Organisational Behaviour and Associate Dean (EDI) at Brunel University of London. An internationally recognised scholar, he is the founder of the EDI Conference and series editor for *Challenging Inequalities*, and *International Perspectives on EDI*. His research spans leadership, intersectionality, migration, and justice in organisations, influencing global EDI policy and practice across academia, business, and government.

Submitted: April 02, 2025 EST. Accepted: October 10, 2025 EST. Published: October 20, 2025 EST.



This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CCBY-4.0). View this license's legal deed at <http://creativecommons.org/licenses/by/4.0> and legal code at <http://creativecommons.org/licenses/by/4.0/legalcode> for more information.

REFERENCES

- Andersson, M., Castellani, D., Fassio, C., & Jienwatcharamongkhol, V. 2022. Leaving the multinational: The likelihood and nature of employee mobility from MNEs. *Journal of International Business Studies*, 53(5): 936–949.
- Bernardo, A. B., Daganzo, M. A. A., & Ocampo, A. C. G. 2018. Abusive supervision and well-being of Filipino migrant workers in Macau: Consequences for self-esteem and heritage culture detachment. *Social Indicators Research*, 139: 277–292.
- Blustein, D. L., Lysova, E. I., & Duffy, R. D. 2023. Understanding decent work and meaningful work. *Annual Review of Organizational Psychology and Organizational Behavior*, 10(1): 289–314.
- Brill, L. 2021. What is decent work? A review of the literature. *Decent work: Opportunities and challenges*: 11–26.
- Dodd, V., Hooley, T., & Burke, C. 2019. Decent work in the UK: Context, conceptualization, and assessment. *Journal of Vocational Behavior*, 112: 270–281.
- Fitzsimmons, S., Özbilgin, M. F., Thomas, D. C., & Nkomo, S. 2023. Equality, diversity, and inclusion in international business: A review and research agenda. *Journal of International Business Studies*, 54(8): 1402–1422.
- Fudge, J., & Strauss, K. 2014. Migrants, unfree labour, and the legal construction of domestic servitude: Migrant domestic workers in the UK. In C. Costello & M. Freedland (Eds.), *Migrants at work: Immigration & vulnerability in labour law*: 160–179. Oxford University Press.
- Masdonati, J., Schreiber, M., Marcionetti, J., & Rossier, J. 2019. Decent work in Switzerland: Context, conceptualization, and assessment. *Journal of Vocational Behavior*, 110: 12–27.
- Röell, C., Özbilgin, M., & Arndt, F. 2024. Covert allyship: Implementing LGBT policies in an adversarial context. *Human Resource Management*, 63(4): 711–729.
- UN Women. 2017. *Women migrant workers' contributions to development*. New York: United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). <https://knowledge.unwomen.org/en/digital-library/publications/2017/7/women-migrant-workers-contributions-to-development>.
- van der Straaten, K., Pisani, N., & Kolk, A. 2024. Parenthood wage gaps in multinational enterprises. *Journal of International Business Studies*, 55(6): 805–815.
- Wang, S. L., Lee, Y., & Li, D. 2024. Smart disclosure: an enabler for MNEs to reduce human rights violations in global supply chains. *Journal of International Business Studies*, 55(4): 450–469.
- World Health Assembly (66th). 2013. *Disability*. Geneva: World Health Organization. <https://iris.who.int/handle/10665/150160>.