

Chapter 7

Regulating the Private Sector: Opportunities, Risks, and Transnational Governance Pathways for HRM Reform

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ABSTRACT

The digitalization of modern workplaces has accelerated the adoption of Human Resource Information Systems (HRIS) and surveillance technologies, transforming organizational efficiency and control. While offering operational benefits, these tools pose critical threats to employee privacy, autonomy, and fairness. This chapter examines the ethical and legal challenges of digital monitoring, highlighting gaps in current data protection frameworks. It explores issues such as algorithmic bias,

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consent under power asymmetry, psychological harm, and cross-border data risks. Arguing for comprehensive legal reform, the chapter advocates a human-centric model emphasizing proportionality, transparency, and participatory governance. Proposed solutions include Workplace Surveillance Impact Assessments, algorithmic audits, and employee involvement in monitoring decisions. By aligning legal innovation with ethical responsibility, the chapter offers pathways to balance technological advancement with fundamental employee rights

INTRODUCTION

The globalization of the world economy and the expansion of global production networks (GPNs) have profoundly transformed the labor landscape, positioning questions of working life and employee well-being at the core of global governance debates. This era is marked by a new phase of capitalist ‘Landnahme,’ wherein companies expand value production far beyond their traditional formal boundaries, increasingly integrating hitherto non-capitalist forms of work. Consequently, Human Resource Management (HRM), traditionally focused primarily on achieving economic organizational performance, has been compelled to redefine its mandate. This strategic reorientation has led to states prioritizing flexibility over protection to maintain economic competitiveness, driving the adoption of increasingly formalized models such as Sustainable HRM (SHRM), which conceptually incorporates principles like long-term organizational survival through resource regeneration and the comprehensive care of employees and the environment (Stankevičiute & Savanevičiene, 2018). Yet, the practical implementation of this philosophy often clashes with the economic imperatives driving these same global transformations.

Despite the rhetorical emphasis on human resource development and renewal inherent in models like SHRM, the dominant trend in labor practice remains the relocation of work to spheres outside the traditional protective framework of labor legislation, resulting in heightened precarity and a profound degradation of legal conditions. This crisis is acutely manifested across several critical domains, including segmented national labor markets and transnational global supply chains (GSCs). Nationally, states, driven by economic considerations, have utilized policy reforms that prioritize flexibility, creating dual labor markets saturated with easily terminable fixed-term and temporary contracts. This process effectively undermines protective rights associated with traditional employment status (Jalón Aymerich & Herce, 2020).

The emergent digital economy exacerbates these dynamics. Platforms operating under models like cloud-working and crowdsourcing utilize “regulatory arbitrage” to exploit ambiguities in existing legislation. By classifying workers as independent contractors, platforms circumvent mandatory compliance with fundamental safety

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