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LERA Session Title: Dispute Resolution in Multiple Contexts

Paper Title: **Institutional and Organizational Context and Firm Adoption of Arbitration**

Paper Abstract:

Previous literature has reviewed factors leading organizations to adopt internal dispute resolution procedures and other specific human resource policies but, with few exceptions, has neglected to include arguably the most provocative dispute resolution procedure: pre-dispute mandatory employment arbitration. Alternative dispute resolution procedures are generally regarded by scholars as expanding due-process and procedural justice, but the adoption of pre-dispute mandatory employment arbitration is rights-negating, in that it deprives employees of the option to litigate their statutory rights in court. Building on previous research, we use 10-years of data from the two largest arbitration providers, the American Arbitration Association (AAA) and JAMS (formerly Judicial and Mediation Services, Inc.), and publically-available data on Fortune 500 companies to investigate how institutional and organizational environments affect adoption of mandatory employment arbitration. Specifically, we investigate how pressures from the institutional environment, such as external legal pressure, sensitivity to the public sphere, and industry, in addition to characteristics of the organization, including its age, size, and internal influence of lawyers within organizations affect adoption of mandatory employment arbitration. Preliminary findings suggest that proximity to the public sphere and representation of legal professionals on corporate boards of directors are both positively related to adoption of this rights-negating practice.