

2.10: EEO Violations

Learning Objectives

1. Identify the impacts of EEO violations

In 2018, the EEOC received 76,418 charges of workplace discrimination, including approximately 40,000 charges of retaliation, 25,000 charges of discrimination (in each category) based on sex, disability, and race, and 17,000 charges of age-related discrimination. The agency resolved 90,558 charges, securing over \$500 million in settlements for victims in the private sector, state and local government, and federal workplaces.

In the press release announcing 2018 fiscal year statistics, Acting Chair Victoria A. Lipnic states that “we cannot look back on last year without noting the significant impact of the #MeToo movement in the number of sexual harassment and retaliation charges filed with the agency.” The number of sexual harassment charges filed increased 14% over 2017 and the agency obtained \$56.6 million in monetary benefits for victims of sexual harassment.

For perspective, here are a few recent verdicts and settlements:

- **7/2019—\$3.8 million.** Judgment against City of Tucson for failing to provide a lactation room for a firefighter
- **6/2019—\$5 million.** Proposed agreement to settle a class-action suit claiming that JP Morgan Chase Bank’s paid parental leave policy discriminated against fathers
- **2/2019—\$1.5 million.** Punitive damages for an ex-KFC employee for breastfeeding accommodation violations.
- **2/2019—\$11 million.** Judgement against Silverton Partners, Inc. for sexual harassment, retaliation, failure to prevent harassment/retaliation, and negligent supervision, retention, and hiring.
- **11/2018—\$6 million.** Judgement against Teva Pharmaceuticals for discrimination on the basis of age, national origin, and retaliation.
- **10/2019—\$3 million.** Judgement against PPG Industries, Inc. for gender discrimination. Half of the award was damages for emotional distress.

PRACTICE QUESTION

A friend of yours is a small business owner who prefers to hire “people like me.” Which of the following would best convey the impacts of EEO violations?

- Workplace discrimination can result in significant legal, operating, brand, and human costs.
- The EEOC doesn't accept claims from small businesses.
- An applicant won't want to pay claim filing fees, so the probability of a claim is low.
- You're the boss, you make the rules.

Answer

Workplace discrimination can result in significant legal, operating, brand, and human costs.

As a Center for American Progress report notes: “There’s a price to be paid for workplace discrimination.” And that price includes more than attorney fees and judgements. In addition to the direct costs of non-compliance, there are operating, brand, and human costs, including not only management time in responding to or defending against a claim but the impact on how an organization is perceived by customers, partners, and employees. Looking at just one aspect of that equation—turnover—The Level Playing Field Institute estimated the cost of unfairness to be \$64 billion in 2007. This figure doesn’t factor in penalties, brand impact or the morale and productivity of employees who remain. This is simply the estimated cost of losing and replacing more than 2 million American workers who leave jobs annually due to unfairness and discrimination. The report goes on to state that “businesses that discriminate based on a host of job-irrelevant characteristics, including race, ethnicity, gender, age, disability, and sexual orientation and gender identity put themselves at a competitive disadvantage compared to businesses that evaluate individuals based solely on their qualifications and capacity to contribute.”

Although the Center’s point of reference is LGBT individuals, the points they make are valid across the spectrum of diversity. Specifically, discrimination against employees based on factors unrelated to job performance negatively impacts the economic

performance of businesses in every human resource and revenue-generation category including recruitment, retention, job performance, productivity, engagement, and marketing to consumers.

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