
Careers and Workplace

03/27/2001 - Updated 08:19 AM ET

Workers win more lawsuits, awards

By Stephanie Armour, USA TODAY

Employees who claim they've been harassed or discriminated against are winning many of their cases, and the financial awards they're receiving often far eclipse those of years past.

Consider what's been happening:

- Multimillion-dollar verdicts occur even in cases involving one employee. Fort Worth-based Bell Helicopter Textron was hit with a \$4 million verdict in December after an African-American employee who was fired from his high-tech painting job sued over alleged racial harassment.

"I was surprised by the amount, but I knew it would be high based on the evidence," says Raul Loya, a Dallas lawyer for the plaintiff. He says his client was subjected to a hangman's noose, ransacking of his locker and racial slurs. Bell declined to comment.

- Class-action lawsuits are leading to larger settlements. Atlanta-based Coca-Cola agreed to pay \$192 million to settle charges of racial discrimination made by African-American employees.

- And last year, a \$508 million settlement was reached with more than 1,000 women who claimed in a class-action lawsuit that they were denied positions at Voice of America.

"As the case evolved, it became clear to us and the government that future litigation was likely to be unproductive and would subject the government to even more costs," says Joe O'Connell, a Voice of America spokesman.

Signs of the shift abound. The Equal Employment Opportunity Commission obtained a total of \$246 million in cash benefits for claimants in fiscal 2000, more than double the \$118 million obtained in 1992. The increase comes despite just a modest rise in charges.

A study from Jury Verdict Research found workers who bring employment lawsuits are increasingly victorious. The probability of a verdict favoring a plaintiff has jumped from 49% in 1994 to 71% in 1999. The median compensatory award received by workers has soared from \$127,500 in 1996 to \$200,000 in 1999.

Experts differ as to what's driving the rise. In the recent strong economy, some legal experts say juries have resorted to higher awards in order to send a stronger message to employers. Others attribute some of the rise to workers' increasing awareness of employment law.

More than 50% of employers have been sued by workers, according to a survey by law firm Jackson Lewis and the Society for Human Resource Management. The most common charges were gender discrimination and sexual harassment, followed by wrongful discharge and racial discrimination. Many legal experts expect to see more lawsuits this year as layoffs mount and the economy slows.

"That's the freight train coming down the track," says Walter Olson, author of *The Excuse Factory*, on the impact of employment law in the workplace. "All these companies have been talking about 'getting new blood,' and that can come back to haunt them."