

Baldor Electric To Pay \$2M In Bias Investigation

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LITTLE ROCK, Ark. (AP) — Baldor Electric Co. agreed Monday to pay \$2 million to settle a discrimination allegation by the U.S. Labor Department, but the company denied bias in its hiring practices.

The Labor Department alleged the company blocked nearly 800 women and minorities from getting jobs through Baldor's screening process for applicants. The settlement for back wages plus interest will be paid to the 795 applicants, and the company agreed to offer jobs to at least 50 of them as positions become available.

If divided equally, the settlement comes to about \$2,500 per person.

The Fort Smith-based company, which makes electric motors, said it was easier to settle than continue to fight the allegation.

"It was going to be a much lengthier process to fight it any longer. We don't admit that we've done anything wrong. This was purely a statistical analysis on their (the Labor Department's) part. But it would have been so long and so much more expensive to fight, it was just time to be done," Baldor spokeswoman Tracy Long said.

Long said the company has been defending itself since the Labor Department raised the issue over Baldor's 2006 employment applicant screening data.

"We've ensured that the screening process is in compliance with the Department of Labor's expectations. We've had lot of time to work on it," Long said.

The Arkansas Economic Development Commission lists Baldor as the state's 26th largest employer with between 2,000 and 2,500 workers.

In a news release, Labor Secretary Hilda L. Solis said the settlement gives applicants and equal opportunity for employment.

"Our shared goal is to create lasting change so that anyone who comes looking for work at Baldor can be sure that discrimination will never be a factor in determining who gets the job," Solis said.

Long also said the Labor Department's action makes it difficult for companies to sustain domestic production.

"It makes it hard to have this (U.S.) manufacturing strategy if you have policies like this, but we still feel it's the right place to be," Long said.

Baldor's parent company is Zurich, Switzerland-based ABB Ltd. Baldor has received

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nearly \$100 million in U.S. government contracts since 1997, the Labor Department said, and currently has \$18 million in federal contracts.

Between 1997 and 2010, the department said Baldor was paid \$79 million for batteries and generators for the U.S. military, the U.S. Justice Department and the General Services Administration.

"Discrimination is preventable when employers have certain processes in place and see to it that they are followed," Labor Department Office of Federal Compliance Programs Director Patricia A. Shiu said in the release. "That's why it's so important for federal contractors to implement their affirmative action programs, keep accurate employment records and commit to ending barriers to fair employment."

Long said compliance is important to the company.

"We've always done the right thing," Long said.

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