

**Chapter 23**  
**Employment Law and**  
**Equal Opportunity**

1 Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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**INTRODUCTION**

- Federal antidiscrimination laws
- Agency charged with enforcing these laws
- Equal Employment Opportunity Commission (EEOC), and
- Concept of affirmative action

2 Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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**Civil Rights Act of 1964, Title VII**

- Prohibits discrimination in all areas of employment on the basis of race, color, religion, national origin, and gender
- Created the EEOC
- Covers employers or unions with 15 or more employees
- Disparate treatment—intentional discrimination where one protected Title VII class is treated differently from another
- Disparate impact—seemingly neutral employment practice has an adverse effect on a protected Title VII class

3 Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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## Equal Employment Opportunity Commission (EEOC)

- EEOC is responsible for the administration and enforcement of
  - Equal Pay Act of 1963
  - Title VII of Civil Rights Act of 1964
  - Age Discrimination in Employment Act of 1967
  - Americans with Disabilities Act
- EEOC investigates charges and may bring actions
- Employees can recover compensatory and punitive damages

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Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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## Categories of Discrimination

- Race or color
- Religion
- National origin
- Discrimination in favor of a foreign company's nationals
- Gender
- Pregnancy
- Gender discrimination in pension plans and life insurance

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Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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## Sexual Harassment

- *Quid pro quo*
  - Employee's pay, hours, and other terms of employment depends on whether the employee submits to unsolicited verbal or physical sexual conduct
- Hostile environment
  - Employee is subjected to unwanted sexual innuendoes, vulgarity etc. creating an intimidating, hostile, or offensive environment of employment
- Applies to female/male and male/female discrimination
- Employers should have and enforce strict sexual harassment policies

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Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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## Equal Pay Act

- Requires equal pay for men and women for equal work that requires
  - Equal skills
  - Equal efforts
  - Equal responsibility
  - Performed under similar conditions
- Defenses
  - Seniority
  - Merit
  - Piecework
  - Production bonus systems
  - Any consideration other than gender

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Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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## Age Discrimination in Employment Act

- Protects persons 40 or older with no upper age limit
- Age discrimination is prohibited in all aspects of employment
- Also prohibits discrimination in benefits packages

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Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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## Americans with Disabilities Act

- Prohibits discrimination against people with disabilities including AIDS and HIV
- Employers are required to make reasonable accommodation to facilitate the employment of people with disabilities
  - Employer must have 15 or more employees to be required to do this

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Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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## Statutory Defenses

- BFOQ (bona fide occupational qualification)
- Bona fide seniority systems
- Professionally developed ability tests

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Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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## Immigration Acts

- Employers must verify employees' employment eligibility

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Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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## Affirmative Action

- Refers to remedial steps taken to improve work opportunities for women and minorities
- Employers should consider doing a workforce analysis and to having an affirmative action plan that does not create reverse discrimination

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Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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## Military

- An employer cannot discriminate against a person because he/she is a member of the reserve force or National Guard and must reemploy returning persons without loss of seniority and must restore all benefits to them

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Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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## International Considerations

- Most countries have not developed discrimination law as strict as what the US has developed, although this is improving

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Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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## Summary

- Civil Rights Act of 1964, Title VII
- EEOC
- Categories of Discrimination
- Sexual Harassment
- Equal Pay Act
- Age Discrimination in Employment Act
- Americans with Disabilities Act
- Statutory Defenses
- Immigration Acts
- Affirmative Action
- Military
- International Considerations

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Source: Bohlman/Dundas, The Legal, Ethical, & International Environment of Business

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