

Wal-Mart bias suit expanded

COURT: A judge's grant of class-action status makes the discrimination case the largest in U.S. history.

BY STEVEN GREENHOUSE
AND CONSTANCE L. HAYS
NEW YORK TIMES NEWS SERVICE

A federal judge ruled Tuesday that a lawsuit that accuses Wal-Mart of discriminating against women can proceed as a class action covering about 1.6 million current and former employees, making it by far the largest workplace bias lawsuit in United States history.

The lawsuit, bought by six women in 2001, accuses Wal-

WOMEN AT WAL-MART

The percentage of women working in various positions in the retailer's stores, according to an expert hired by the plaintiffs:

- Cashiers: 89.5 percent
- Department heads: 79 percent
- Assistant store managers: 37.6 percent
- Store managers: 15.5 percent

Mart, the nation's largest private employer, of systematically paying women less than men and offering fewer opportuni-

ties for promotion. The lawsuit noted that while 65 percent of Wal-Mart's hourly employees were women, only 33 percent of Wal-Mart's managers were.

While not ruling on the merits of the lawsuit, Judge Martin Jenkins of the U.S. District Court in San Francisco wrote that the case was "historic in nature, dwarfing other employment discrimination cases that came before it."

Wal-Mart said it would appeal the class-action certification, arguing that it did not discriminate and that decisions about raises and promotion were made by individual stores not

PLEASE SEE WAL-MART, BACKPAGE

K PAGE

June 23, 2004

THE PRESS-ENTERPRISE

WAL-MART: Suit covers 1.6 million women

CONTINUED FROM A1
on the corporate level.

As the world's largest retailer, Wal-Mart has become the target of dozens lawsuits over off-the-clock work and other employment practices. Indeed, because of its huge size, the company has become a lightning rod for criticism.

Such controversies, however, pale compared with the job discrimination lawsuit's potential to hurt the company's image and profitability line. Shares of Wal-Mart fell 1.6 percent Tuesday in trading on the New York Stock Exchange.

Worried that this case would anger and perhaps chase away many women shoppers, Wal-Mart has spent millions of dollars on television spots showing how well it treats women. And earlier this month it announced it would increase wages and improve some workplace practices at the corporate and store level.

The lawyers who brought the case say their goal is nothing less than pressing Wal-Mart to change the way it treats its more than 700,000 employees who are women. These lawyers

say they will not settle the case unless Wal-Mart makes iron-clad pledges to treat women better and agrees to a substantial settlement, larger than any previous settlement in a job discrimination case.

"This is the largest civil rights class action ever certified," said Brad Seligman, executive director of the Impact Fund, a nonprofit group that is the lead counsel for the women. "We hope to fundamentally change Wal-Mart since Wal-Mart is the industry leader. We think changing Wal-Mart for the better is going to help change everybody for the better."

Until early last year, Wal-Mart's stores generally did not post openings for managerial trainees, the plaintiffs noted, asserting that male managers often tapped other men for the management track.

Stephanie Odle, an assistant store manager in Riverside, said in an interview that she was shocked to learn that a male assistant manager at the store was making \$60,000 a year, \$23,000 more than she was earning.

She said, "When I went to the

district manager, he first goes, 'Stephanie, that assistant manager has a family and two children to support.' I told him, 'I'm a single mother and I have a 6-month-old child to support.'"

The ruling could include nearly every woman who has worked at Wal-Mart since December 1998. With more than 1.2 million employees in the United States, the company employs more women and more workers than any other American company. It is difficult to estimate exactly how many plaintiffs will be in the class, because some women may choose not to participate.

Lawyers for Wal-Mart, which has 3,586 stores across the United States, had asserted that a class action was inappropriate on the ground that Wal-Mart does not have centralized employment policies and that individual store and district managers make decisions on pay and promotions.

With such a large class, any settlement by Wal-Mart could ultimately cost the company billions of dollars, even if individual awards are small, analysts and industry experts said.