

Target Corporation to Pay \$2.8 Million to Resolve EEOC Discrimination Finding

Company's Former Use of Pre-Hire Employment Assessments Discriminated Based on Race and Sex and Violated the ADA, Federal Agency Found

MINNEAPOLIS - Target Corporation, which is headquartered in Minneapolis, has agreed to pay \$2.8 million to resolve a Commissioner's charge of discrimination which was investigated in the Minneapolis Area Office of the U.S. Equal Employment Opportunity Commission (EEOC). Based on the investigation, EEOC found reasonable cause to believe that three employment assessments formerly used by Target disproportionately screened out applicants for exempt-level professional positions based on race and sex. The tests were not sufficiently job-related and consistent with business necessity, and thus violated Title VII of the Civil Rights Act of 1964, EEOC found.

In addition, EEOC found that one of the assessments Target formerly used in its hiring process also violated the Americans with Disabilities Act (ADA). The EEOC determined that this particular assessment performed by psychologists on behalf of Target was a pre-employment medical examination. Employers are prohibited by the ADA from subjecting applicants to medical examinations prior to an offer of employment.

EEOC found that Target also committed record-keeping violations by failing to maintain records sufficient to assess the impact of its hiring procedures.

EEOC's investigation revealed that thousands were adversely affected when Target used these assessments in its hiring process. The monetary settlement will be divided among these individuals as appropriate. Target will pay for a claims administrator to distribute the funds.

During EEOC's investigation, Target discontinued the use of those tests that violated the law. Target has agreed that it will not use these assessments again as part of its exempt-level employment selection procedures. In addition, Target has made changes to its applicant tracking systems to ensure that the collection of data is sufficient to assess adverse impact. Target will perform a predictive validity study for all exempt assessments currently in use and any new assessments Target expects to use. Target agreed to monitor the assessments it uses for exempt-level professional positions for adverse impact based on race, ethnicity and gender. Annually, Target will provide EEOC with a detailed summary of the studies and the adverse impact analysis conducted.

Target also agrees to retain an experienced outside consultant to provide a minimum of two hours of training at least once per year to all personnel responsible for the development and implementation of exempt assessments on the topics of record keeping, the ADA and pre-employment medical exams, and disparate impact in employment selection procedures.

"We applaud Target for taking corrective action to ensure the validity of their hiring practices," said EEOC Chair Jenny R. Yang. "This resolution demonstrates the benefits of working with EEOC and serves as a model for businesses committed to effective and lawful selection procedures."

Julianne Bowman, director of EEOC's Chicago's District Office, said, "We are pleased that Target chose to work with us to reach this conciliation agreement and that through our joint efforts, we have been able to bring about real change at Target without resorting to protracted litigation."

The Minneapolis Area Office is part of EEOC's Chicago District. The Chicago District is responsible for investigating charges of discrimination in Minnesota, Illinois, Wisconsin, Iowa and North and South Dakota.



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