



Preventive Measures Save Company \$210,000

Punitive damages are designed to punish an employer for bad behavior and typically constitute the largest part of a jury award in discrimination lawsuits. Recently, a federal jury in a race discrimination lawsuit in South Carolina awarded Wanda Bryant \$40,000 in compensatory damages for lost wages and \$50,000 in compensatory damages for pain and suffering, but \$210,000 in punitive damages. This accounted for 70% of the total award. Fortunately, the Fourth Circuit Court of Appeals overturned the jury's punitive damages award because the employer had put in place an effective nondiscrimination policy and training programs.

Under Title VII, an employer may not be liable for punitive damages when a manager's discriminatory decision is contrary to the employer's good faith efforts to comply with Title VII. The Fourth Circuit decided that the jury made a mistake when it awarded punitive damages to Bryant because of the following good faith efforts the employer had made to comply with Title VII:

- An organization-wide equal employment opportunity policy that was communicated in the employee handbook;
A grievance policy explicitly informing employees they would not be retaliated against for making a complaint;
A "carefully developed" diversity training program that included formal training classes and group exercises for hospital employees; and
Voluntary monitoring of departmental demographics to keep the employee base reflective of the pool of potential employees in the area.

This decision highlights the importance of having well defined and comprehensive nondiscrimination policies, practices, and procedures. Such policies not only help an employer prevent and eliminate discrimination, but may also reduce the possibility of a jury awarding punitive damages awards.

The case is styled Bryant v. Aiken Regional Medical Centers, Nos.02-2147 & 02-2192, slip op. (4th Cir. Jun. 27, 2003).

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