Whirlpool Cited for Inadvertent, Adverse Impact in 1997-1998 Hiring Practice at Oklahoma Factory

TULSA, Okla., Aug 10, 2005 /PRNewswire-FirstCall via COMTEX/ -- Despite high levels of diversity at Whirlpool Corporation's (NYSE: WHR) Tulsa, Oklahoma, factory, the Office of Federal Contract Compliance Programs (OFCCP) -- part of the U.S. Department of Labor's Employment Standards Administration -- has determined that a hiring process used to screen job applicants at the factory from March 1997 to February 1998 created an adverse impact on certain applicants. OFCCP officials agree that the negative consequence was "inadvertent" and unintentional.

As a result of ongoing litigation, recent negotiations between the OFCCP and Whirlpool have resulted in a settlement, announced today, in which Whirlpool will pay $850,000 to a pool of previous job applicants who were not hired by the company. Whirlpool has also committed to hiring a portion of those applicants as jobs become available at the plant moving forward.

"Despite the government's recent findings about the Tulsa division's hiring practices used eight years ago, we have a long history of clear, observable diversity in our workforce," said Tom Toth, vice-president of Whirlpool's Tulsa division. "The percentage of minorities employed at our Tulsa factory is 30 percent, which exceeds Tulsa area census data indicating a 25-percent minority availability in the region. Diversity within our company supports our business needs, as our workforce should mirror the very customers we serve in any increasingly diverse marketplace. We also believe it is simply the right thing to do."

The OFCCP cited Whirlpool for using a verbal/math skills test that may have resulted in inadequate hiring of African American candidates when used while screening job applicants. Whirlpool worked closely with a variety of state and local government institutions to create a hiring process for the new Tulsa plant, which included using this test in the 1997-98 period. The company stopped using the test the following year.

Toth added that not only does the division employ nearly 1,300 people, the Whirlpool Foundation has contributed more than $1.1 million to a variety of Tulsa nonprofit organizations, including minority-based schools, heritage foundations and youth centers.

"Although clearly unintentional, this type of issue is not tolerated in any form at Whirlpool," said David Binkley, Whirlpool's senior vice president, global human resources. "Diversity is one of our core values, and we have a history of embracing and promoting diversity across our company around the world. In fact, we were actively engaged in recruiting efforts throughout the Tulsa community that sought minority candidates during the period in which the screening process was being used. We've learned from this unique situation; we have since taken steps to carefully evaluate all hiring practices and recommendations to ensure fairness to all potential employees."

Whirlpool was unaware of the potential impact of this test until the OFCCP conducted a routine audit of the company's hiring process in Tulsa in 1998 and singled out the test as a potential issue. OFCCP audits have been completed at various Whirlpool locations, and the government has normally concluded that the company's hiring practices are fair and indiscriminate.

Whirlpool Corporation is the world's leading manufacturer and marketer of major home appliances, with annual sales of over $13 billion, 68,000 employees, and nearly 50 manufacturing and technology research centers around the globe. The company markets *Whirlpool, KitchenAid, Brastemp, Bauknecht, Consul* and other major brand names to consumers in more than 170 countries. Additional information about the company can be found on the Internet at http://www.WhirlpoolCorp.com .

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