Workplace cultures and environments consistently cause major companies to attract or lose employees. This environment is an especially large concern for women entering the corporate workplace, as sexual harassment and environments of sexism continue to permeate the corporate culture. Even in 2020, the United Nations reported that less than half of working-age women worldwide are in the workplace. Women continue to be in the minority, which leaves room for sexual harassment to occur.

Sexual harassment affects nearly every company, both in and out of the physical workplace. A 2018 national study done by Stop Street Harassment, a worldwide nonprofit committed to ending gender-based harassment, with help from Growth from Knowledge, a research and data analytics company; Raliance, a national partnership dedicated to ending sexual violence; and the UC San Diego Center on Gender Equity and Health reports that approximately 81% of women have been sexually harassed in some way, as depicted in Figure 1. These numbers are alarming, and management of companies must take this fact into account, as sexual harassment both inside and outside of the company can negatively impact the firm.

**What do businesses need to know about preventing further sexual harassment?**

Nearly every company has put some form of sexual harassment training into practice, but these are not producing as many positive
results as businesses would like. To properly prevent sexual harassment and create positive workplaces for women, management must acknowledge the negative effects of harassment on the bottom line, learn from the example of the #MeToo movement, and implement new, effective practices in the workplace.

**Negative Effects of Harassment on the Bottom Line**

By having ineffective policies in place that allow sexual harassment to transpire, businesses are losing millions not only in payouts to victims, but also through lost productivity and the investment in unnecessary employee turnover. Women are less likely to be motivated at work or remain at their job long-term if they have been harassed in the workplace.

"80% Of women who have been harassed at work leave their job within two years"

The Harvard Business Review cites a 2017 study done by Work in Progress, a public sociology website created by the American Sociological Association, to report that approximately 80% of women who have been harassed leave their jobs within two years. Why does this hurt business? Well, according to Jea Yu of Automatic Data Processing (ADP), a large human resources company, and a study done by the Society for Human Resource Management, the average cost of hiring a new employee hovers around $4,129. This fact is grim regarding the bottom line, as unnecessary investments of capital hurt rather than help. Consistent job turnover can exponentially drain a company's resources and lessen the positive image of the business.

Additionally, when a perceived culture of harassment exists within a company, it may become more difficult to recruit new employees and gain clients or customers. If the firm is looking to hire more women, analyze the culture first. Not only women, but potential employees in general are less likely to work for a firm if potential sexual harassment is perceived. A 2016 report from Chai R. Feldblum and Victoria A. Lipnic, at the time both commissioners of the U.S. Equal Employment Opportunity Commission, found that “58% of employees] who experienced unfairness said that their experience would ‘to some degree’ cause them to discourage potential employees,” as well as perceived sexual harassment in the workplace having a negative effect on attitudes toward the brand and brand image.

Business success is based on both employees and consumers. Losing money in either category holds the power to hurt the firm immensely. Therefore, improving the status of sexual harassment in the workplace will not only help victims, but multiple aspects of businesses worldwide.

**Learning from the #MeToo Movement**

The #MeToo movement of 2017 sent shockwaves running through the business world, as more victims of sexual harassment came forward and many of the accused harassers were removed from their corporate positions. The #MeToo movement has changed how sexual harassment is spoken about and viewed, and employers who responded positively to this aspect were rewarded in the public eye.

#MeToo

Through the #MeToo movement, those who spoke out enabled the societal norms surrounding harassment to change. Reporting and discussing sexual harassment have become more normalized, especially within the business world. The National Sexual Violence Resource Center reports that “the self-reported incidence of rape or sexual assault more than doubled from 1.4 victimizations per 1,000 persons age 12 or older in 2017, to 2.7 in 2018,” as depicted in Figure 2. This huge jump displays that businesses must acknowledge the increase in reporting and continue to encourage effective reporting in the workplace.

Firms can use the #MeToo movement to their advantage in changing sexual harassment
policies. Organizations’ responses to the movement “should signal to other employees that certain behaviors are unacceptable,” per Joy Leopold, Jason R. Lambert, Ifeyimika O. Ogunyomi, and Myrtle P. Bell, who are all professors and researchers at the University of Texas at Arlington. The changes brought about by #MeToo provide a great opportunity for employers to recognize potential adjustments that may need to be made within the company in terms of the reporting and attitude surrounding harassment.

Furthermore, the #MeToo movement has encouraged some states to change certain laws, which may affect how some companies do business. For example, many laws have been changed regarding nondisclosure agreements in the workplace and statutes of limitation, two tools that are often used to limit sexual harassment being exposed.

Regarding statutes of limitation, legislatures have provided many victims a longer amount of time to file a suit against their abusers. With this increasing, if sexual harassment occurs in a firm, the act(s) of harassment could possibly be held over the business for a long time. Employees who are accused of harassment can get caught up in a lawsuit years later, affecting the business long after the original incident(s) happened. By recognizing these changes made in the way business must be conducted, employers can use these adjustments to their advantage in improving the company and the workplace culture for women.

Implementing New Practices in the Workplace

To effect real change, companies must enact new policies to discourage harassment. Creating proper systems for victims to report harassment and, in turn, encouraging reporting is often suggested. Christina M. Reger and Robyn Forman Pollack, attorneys with diversity and inclusion experience, recommend “companies should have two or more unrelated ways that employees can complain about harassment, discrimination or retaliation”. By having multiple potential methods of reporting harassment, victims can be protected and possess more say in the reporting process.

Due to the real fear of retaliation and other consequences, the U.S. Equal Employment Opportunity Commission states that approximately 70% of sexual harassment goes unreported, depicted in Figure 3.v Sexual harassment in the workplace occurs far more often than most corporate officers or average employees suspect. To create safer reporting for employees, the method(s) of reporting should be to an external watchdog agency that is independent from the company and will keep victims anonymous. Encouraging reporting that keeps victims safe can help to properly address the behavior of harassers and create a more positive work environment for the victims.

Businesses will also benefit from promoting gender equality in the workplace. Kathrina Robotham and Lilia Cortina, a Ph.D. candidate and a professor of women's studies and sociology at the University of Michigan, respectively, assert that “sexual harassment rates are higher in contexts where men outnumber women and job duties are traditionally performed by men”. Masculinity culture in specific industries may discourage women from joining, causing businesses within the industry to lose the knowledge and experiences of the women that could have potentially been a part of the company. Promoting gender equality aids the knowledge, experience, atmosphere, and image of a business, while helping to retain more employees and produce great benefits for the firm.

Similarly, companies with more women in management positions typically have lower sexual harassment rates. When women are unequal in the workplace or simply perceived as being unequal, an easy route opens for sexual
harassment to occur in the workplace. Promoting gender equality in every aspect may help women to feel more comfortable and harassment to decrease.

Rather than continuing with the routine sexual harassment training, Robotham and Cortina encourage businesses to promote respect as a solution to harassment. The absence of harassment is not the presence of respect, and teaching employees to properly respect coworkers and others as human beings may help decrease harassment and create a more positive work environment. Focusing on each person's value can help employees to see coworkers and others as human beings deserving of respect.

Conclusion

Harassment in the workplace not only affects victims but produces drastic negative effects for businesses. To improve a company's image and atmosphere, attacking the problem of sexual harassment is imperative. Managers can learn from the #MeToo movement of 2017 by changing the way sexual harassment is talked about and reported, helping to make the corporate workplace a more positive environment.

The routine harassment training of days past simply does not provide enough progress in today's world where women are still the minority in corporate workplaces. Implementing new and effective solutions can help businesses worldwide to take steps in the right direction regarding sexual harassment. The importance of preventing sexual harassment is explained in the fact that proper practices help aid both businesses and victims, effecting positive impact inside and outside of the workplace.

Notes