Research: How Sexual Harassment Affects a Company's Public Image

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The wave of sexual harassment reports in recent months has resulted in the dethroning of high-profile men in media and entertainment, sports, business, and politics. At the same time, social media, such as Twitter, Instagram and Facebook, have made public conversation about the issue hyper visible and easier to organize — as was the case for the #MeToo movement.
Unsurprisingly, companies are now frantically reevaluating their anti-harassment policies and introducing mandatory trainings – in part to prevent sexual harassment and subsequent public backlash, at any cost. But what can research tell us about the general public’s responses to sexual harassment claims? How do sexual harassment claims shape perceptions of organizational gender equity broadly? How do sexual harassment claims differ from claims about other forms of misconduct, such as financial fraud? We sought to answer these questions in a series of experiments, with approximately 1,500 participants in the U.S. These studies show that a single sexual harassment claim can dramatically reduce public perceptions of an entire organization’s gender equity (i.e., how fair men and women are generally treated, including in terms of hiring and promotion).

In the first online study, we had participants read some basic information about an organization’s number of employees and its size. Half of the participants also read that a sexual harassment claim had been made by one of the company’s employees against her manager, the other half did not receive any information about a sexual harassment claim. In a second online study, we had one third of participants read about an employee making a sexual harassment claim against her manager, one third of participants read about an employee making a financial misconduct claim against her manager, and one third of participants received no information about any claims. Afterwards, participants rated how they perceived the company and what they thought the company should do in response to these claims.

We found that when people learn that a sexual harassment claim has been made in an organization, they not only see that organization as less equitable than an organization where no such claim was filed, but also less equitable than an organization where a claim of a different transgression, such as financial misconduct, was made. Expanding the latter finding, we also find that people see a sexual harassment claim as more indicative of a culture problem than a bad apple problem – even compared to a claim of fraud. So how should companies address that perceived culture problem?
After participants either did or did not read that an employee had made a sexual harassment claim against her manager, we asked them whether they thought the company should hire more women or more men moving forward. We found that people want organizations who face a sexual harassment claim to hire more women and less men. Moreover, the less gender equitable they perceive the company to be and the more they perceive there to be a fundamental culture problem, the more women they think that organization should hire. Beyond the question of whether or not hiring more women is an effective way to redress a sexist culture, these results show that the general public perceives it as a reasonable way of coping with the unfair treatment of women at companies.

In a final online study, we examined whether a company’s response to the sexual harassment claim might lessen the public backlash observed in the other two studies. To test this, we had participants read about different organizational responses to a harassment claim. What we found is that when an organization is responsive (that is timely, informative, and considerate toward the victim) rather than minimizing (that is slow, dismissive, and discouraging toward the victim) when it comes to a claim, this can circumvent public backlash, almost to the same level as an organization that has had no sexual harassment claim at all.

These findings answer some of the key questions that organizations confronted with sexual harassment face. Since these studies were conducted on an online platform, Amazon’s Mechanical Turk, participants are generally slightly more liberal and younger than the general population. Therefore, next steps would involve replicating these findings using a variety of different samples.

However, our research suggests that a single sexual harassment claim can be enough to dramatically shape public perception of a company and elicit perceptions of structural unfairness. In the public’s mind there seems to be no such thing as a bad apple. This suggests that companies need to be responsive and pro-active when it comes to sexual harassment claims, which not only benefits alleged victims, but public perception as well.
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