# Sexual harassment HAS A PRICE

Prevent and save!



#### PREFACE

Sexual harassment at the workplace comes with a price. There are many good reasons to prevent sexual harassment in the labour market. One of the lesser talked about reasons is the financial costs. There are socio-economic costs, costs for the company, and costs for the individual employee linked to sexual harassment. Moreover, there are costs for unions and other parties that conduct cases.

In this booklet, the focus is on the <u>financial costs</u>. The intention is not to neglect the <u>personal costs</u> for those subjected to sexual harassment, but to include the economic perspective in the preventative work. Our hope is that awareness can motivate active prevention of sexual harassment at times and places where it may not have otherwise been present.

No-one at this point is able to put exact figures on what sexual harassment and sexually abusive work environments costs, but we can identify the costs and draw attention to how we can save on these.

In addition to highlighting the financial costs, the booklet will contain good advice on what you as a shop steward can do to contribute to a harassment-free environment, which in the end will be good for the individual employee, but also for your workplace and the economy.

FIU-Equality 2020

#### **CONTENTS**

Important background knowledge	5
What is sexual harassment?	5
Legislation and WEA Guidelines	6
Who is subjected to sexual harassment?	7
Typical consequences of sexual harassment:	8
Costs for the individual employee	9
Costs for the workplace	11
Costs to society	14
What do you need to know as a shop steward?	16
If you want to know more	19

#### **IMPORTANT BACKGROUND KNOWLEDGE**

#### WHAT IS SEXUAL HARASSMENT?

It can be hard to provide a clear, precise explanation of what sexual harassment is. For example, is it okay to say "wow, you're looking hot today"? It can be difficult to determine, and often there is a delicate balance between what is perceived by some as a well-meaning compliment and by others as inappropriate behaviour. What is perceived as sexual harassment therefore depends on the specific situation and the people that are involved. It is therefore important to have a conversation about sexual harassment.

One of the most important things to understand is that sexual harassment is determined by how it is experienced by those subjected to the harassment. This means that if an employee feels that something has been done or said that is inappropriate or uncomfortable, then this must be dealt with accordingly. This is also the case, even if other employees experience it differently and have different boundaries. Sexual harassment has grey areas, which is why it is important to ensure inclusive behaviour and an appropriate tone in the workplace. Even though it can be difficult to define sexual harassment in practice, a formal definition can be found in both the Danish Equal Treatment Act and the Danish Working Environment Authority Guidelines.

#### LEGISLATION AND WEA GUIDELINES

According to both the Danish Equal Treatment Act<sup>1</sup> and the Danish Working Authority Guidelines<sup>2</sup>, it is the harassed person's experience that determines whether a comment or action is sexual harassment. This means that if an employee experiences something as inappropriate or a form of harassment, then it is considered to be harassment – regardless of the intentions behind it.

The Danish Equal Treatment Act also specifies that the general tone within a workplace cannot be used as an "excuse" for harassment. In other words, even though there may be a sexually-charged tone more generally within a workplace, if anyone experiences this to be abusive or a form of sexual harassment, it is not to be permitted.

**The Danish Equal Treatment Act** defines sexual harassment as: "...any form of unwanted verbal, non-verbal or physical conduct with sexual undertones for the purpose or effect of violating a person's dignity, in particular by creating a threatening, hostile, degrading, humiliating or uncomfortable environment."

**The Danish Working Environment Authority** defines sexual harassment as follows:

"It is considered an offensive act when one or more persons subject other persons to conduct which they believe to be degrading, in an indecent or recurrent manner."

<sup>&</sup>lt;sup>1</sup> https://www.retsinformation.dk/forms/r0710.aspx?id=137042

<sup>&</sup>lt;sup>2</sup> https://at.dk/regler/at-vejledninger/kraenkende-handlinger-4-3-1/

#### WHO IS SUBJECTED TO SEXUAL HARASSMENT?

Although everyone, regardless of gender, age, appearance and position can be subjected to sexual harassment, studies show that young people and women in particular are the most exposed. It is especially in male-dominated workplaces that women are often subjected to sexual harassment. LGBT+ persons (e.g., homosexual and transgender persons) and ethnic minorities are also especially exposed to sexual harassment compared with, for example, heterosexual and ethnic Danes.

Who is ultimately exposed to sexual harassment is often down to an interplay between gender, age and position in a given workplace. Although it is frequently assumed that sexual harassment is always about a desire for sex, it is often to a larger extent about power

dynamics and the unequal power distribution e.g., between an employee and their manager, amongst coworkers, or between a woman and a man. This means that young (women) with low seniority are particularly vulnerable when it comes to sexual harassment. (Male) Managers can also be subjected to harassment from their employees, and harassment here can often be an attempt to equalise the power balance between employee and boss – this is rare, however.



# Stress Anxiety Low energy level PTSD Tension Restlessness Depression Unemployment

#### TYPICAL CONSEQUENCES OF SEXUAL HARASSMENT:

Lack of concentration

Memory problems

#### **COSTS FOR THE INDIVIDUAL EMPLOYEE**

If you are subjected to sexual harassment at your workplace, or experience a sexually abusive work environment, you cannot thrive as an employee. It can negatively affect your energy, concentration, mood and self-esteem. Moreover, several health issues are linked to sexual harassment, including stress, PTSD and anxiety. In addition to negative personal costs, sexual harassment can also have financial costs in the following ways:

#### SICK LEAVE

Employees who have been subjected to sexual harassment experience greater dissatisfaction, which can lead to increased instances of sick leave or even the employee leaving the company altogether. In other cases, sexual harassment can lead to employees becoming so unwell that they never return to the labour market.

A study shows that persons who are exposed to sexual harassment have 60% higher instances of sick leave compared with persons who

have not been exposed to sexual harassment.<sup>3</sup> Being off sick is costly for the individual. Although sickness can include full pay for example, it costs in terms of experience, relationships with coworkers, career opportunities, interesting work tasks, etc.



<sup>&</sup>lt;sup>3</sup> Anette Borchorst og Lise Rolandsen Agustin (2017): "Seksuel chikane på arbejdspladsen – faglige, politiske og retslige spor"

#### NEW JOB OR NEW WORKPLACE IN WHICH TO TRAIN

Often, employees who have been subjected to sexual harassment do not stay in their training agreement or employment – either because they leave or are fired. A study by the Danish Trade Union Confederation (FH) shows that every tenth person who has been subjected to sexual harassment guits their job.<sup>4</sup> It can be very difficult for many to remain in the workplace where they were subjected to harassment. It costs time and money for the individual to find a new job or a new apprenticeship.

#### **UNEMPLOYMENT**

Unemployment is a common consequence of sexual harassment. For many, the harassment may have left lasting traces, and some might find it difficult to be in a new job due to psychological injury, which means they face problems with regular social contact in the workplace. For others, sexual harassment means that they have less energy and fewer resources for the job search process.

#### DIVORCE

Sexual harassment also has financial consequences for family life. Studies show that more people get divorced if they have been subjected to sexual harassment.<sup>5</sup> Divorce can affect the individual's finances as a result of legal expenses, divisions of the estate and new acquisitions, for example. In addition, an individual may be required to cover the rent, or in the worst case, be left with an unsellable house.

 <sup>&</sup>lt;sup>4</sup> Fagbevægelsens Hovedorganisation (2019): "Balance og ligestilling"
<sup>5</sup> Anette Borchorst og Lise Rolandsen Agustin (2017): "Seksuel chikane på arbejdspladsen – faglige, politiske og retslige spor"

#### **COSTS FOR THE WORKPLACE**

Sexual harassment and sexually abusive behaviour not only have financial consequences for the individual employee, but also for the workplace. Sexual harassment is expensive for the workplaces in which the harassment occurs.

There are direct costs associated with the employee's (sick) leave, contract termination, employment and training of new persons, and payment of compensation to those subjected to sexual harassment. In addition, there can also be indirect costs connected to sexual harassment, such as a decrease in work productivity due to lower job satisfaction – both from those subjected to sexual harassment, but also from other coworkers who might be indirectly affected by the harassment.

#### SICK EMPLOYEES ARE COSTLY

When an employee is off sick for an extended period of time, the workplace must either operate faster to achieve the same tasks, or compensate in some other way for the work lost. A study shows that just one case of sexual harassment by a citizen against an employee will cost the average workplace DKK 46,000, if a male employee is subject to harassment and DKK 29,000 if a female employee is subject to harassment.<sup>6</sup> It can therefore be very expensive for the workplace if nothing is done about harassment.

<sup>&</sup>lt;sup>6</sup> Det Nationale Forskningscenter for Arbejdsmiljø m.fl. (2018): "Seksuel chikane i omsorgsarbejde"

#### PAYMENT OF COMPENSATION

If it is found that an employee has been subject to sexual harassment, he or she is entitled to compensation for "pain and suffering", which is associated with being subjected to sexual harassment. Such a form of compensation is around DKK 33,000, but can be higher or lower depending on the nature of the harassment. The nature of the harassment is assessed on the basis of e.g. the severity of the harassment and the period of the harassment.

#### **COST FOR NEW HIRES**

Most employees who are subject to sexual harassment end up resigning. For many of those subjected to harassment, it can be difficult to return to the workplace where they have experienced sexual harassment. There are several reasons for this. One reason could be that the perpetrator is a boss or coworker. Shame and fear of judgement from coworkers may also be a factor. As with other crimes, it can be difficult to return to the "crime scene" for fear of reliving the abuse that constitutes sexual harassment. It also means that the workplace has to search for a new employee, and this comes at a price. It requires resources to find a new hire, by way of recruitment, employment and training in the functions carried out by the employee subjected to harassment.

#### INEFFICIENCY

When sexual harassment occurs at a workplace, it usually also affects coworkers. Although these coworkers have not experienced sexual harassment directly themselves, they may have witnessed it or been affected by it in some other way. There may be an uncomfortable atmosphere and gossip circulating around the workplace, and sexual harassment generally leads to less job satisfaction throughout the whole workplace. It can be costly for the workplace, as lack of job satisfaction affects work, by way of lowered productivity and poorer working relationships between coworkers.

#### **BAD REPUTATION IS COSTLY**

The workplace can risk a bad reputation as a result of sexual harassment. It can be difficult to attract new skilled employees if there is rumoured to be a poor workplace culture. It can also be costly in potential partners opting out of a company, due to them not wishing to support a poor work culture.

# TIME SPENT ADMINISTERING AND PROCESSING A CASE

In some cases, sexual harassment entails a legal aftermath. In most cases, sexual harassment in the workplace ends in a settlement where both parties agree on an amount to be paid in damages to those subjected to sexual harassment. For the workplace, this means that a lot of resources must be used to prepare for the case – including seeking legal help, transport to and from meetings and court, and to carry out the trial.

#### **COSTS TO SOCIETY**

When a coworker is off sick or never returns to the labour market, it costs society a lot of money. It is difficult to offer a precise estimate as to how large these costs are for society. However, a study shows that sexual harassment from citizens against employees within the social and health sector cost society around DKK 100 million in 2014 – solely in terms of production losses due to employees' sick leave.<sup>7</sup> In addition, there are payments for sickness benefits and early retirement pension if you are so unwell that you do not return to the labour market.

<sup>&</sup>lt;sup>7</sup> The National Research Centre for the Working Environment (NFA) (2018): "Seksuel chikane i omsorgsarbejde"

## EXPENSES FOR SUPPORT, COUNSELLING AND MEDICAL EVALUATION/HELP

As there are major psychological consequences connected with sexual harassment, there will often be increased costs in healthcare in the form of doctor visits, treatment and psychological help. In addition, there are also costs associated with quotes for support and counselling.

#### LOSS OF ABILITY TO WORK

There have been cases where it has been assessed that the person subject to sexual harassment has lost their ability to work permanently – and there have been cases where it has been assessed that the ability to work has been lost by e.g., 25%. It is a negative socio-economic consequence when employees can no longer work, or are only able to work part-time.

#### **DIVORCE COSTS**

As mentioned under costs for the individual, the increased divorce rate has financial consequences for the individual, but divorces also have societal costs in the form of expenses for e.g., case processing, district council, possible rent subsidy and the like.

#### **EXPENSES FOR CASE PROCESSING**

When you have been subjected to sexual harassment, you often go through a lot of case processing. This might be in the job centre or other municipal case processing – each being something that costs society time and money.

# WHAT DO YOU NEED TO KNOW AS A SHOP STEWARD?

There are clearly many financial costs associated with sexual harassment, and this means that the desire for a better economy is also a good reason to prevent sexual harassment. This requires efforts that focus on preventing and dealing with the harassment – and this is where you, as a shop steward, come in.

#### THE TABOO MUST BE BROKEN

In order to be able to begin working with sexual harassment, the most important thing to keep in mind as a shop steward is that while you may not have had your own boundaries overstepped, or have not been witness to an uncomfortable general tone, this does not necessarily mean that there is not a problem at your workplace. The first step therefore, is always to break the taboo that sexual harassment and inappropriate behaviour can represent. By beginning to talk about tone and workplace culture with your coworkers, you can normalise saying what is and is not acceptable in cases where boundaries have been crossed – thereby helping to prevent harassment.

If you want to know more about how you and your coworkers can break the taboo and decide what is and is not acceptable when it comes to sexual harassment, you can read more in FIU-Equality's booklet *"Sexual harassment - how to speak out as a colleague"*, which you can find on our website: <u>http://fiu-ligestilling.dk/tools\_materials/sexual-harassmenthow-to-speak-out-as-a-colleague/</u>

#### PREVENTION CAN REDUCE SICK LEAVE

By preventing sexual harassment and working on behaviour and workplace tone, you can reduce instances of sick leave in your workplace. In order to do so, it is important to pay attention to how we treat each other. If there is an aggressive tone, sexual innuendos or other behaviour that may feel inappropriate, it is important to say that this is not acceptable and deal with the matter. Have a conversation about what you want from your workplace culture; how do you like to have fun with each other and what constitutes crossing the line? Getting used to discussing workplace culture and boundaries is a large part of prevention.

You can find inspiration for how you start this conversation in FIU-Equality's role-playing dialogue *"Over Stregen"*, which you can find on our website: <u>http://fiu-ligestilling.dk/tools\_materials/crossing-the-line-a-kickstarter-kit/</u>

### YOU CAN USE THE FINANCIAL ARGUMENT TO YOUR ADVANTAGE

If you have an employer or some coworkers that think that discussions about boundaries and prevention of sexual harassment is a waste of time and resources, it's good to remember that it can pay off financially in the long run. Use the information in this booklet to argue why harassment should be prevented - saving employees, the workplace and society a lot of money.

> You can get practical suggestions as to how you can work with prevention, workplace culture, and say no to harassment in FIU-Equality 's booklet

> > "Preventing sexual harassment"

#### IF YOU WANT TO KNOW MORE

Anette Borchorst and Lise Rolandsen Agustin (2017): "Seksuel chikane på arbejdspladsen – faglige, politiske og retslige spor" <u>https://vbn.aau.dk/ws/portalfiles/portal/264775360/Seksuel\_chika-</u> <u>ne\_p\_arbejdspladsen\_Online.pdf</u>

The Danish Working Environment Council: "Et godt psykisk arbejdsmiljø – forebyg seksuel chikane" <u>https://amr.dk/media/15360/pjece-seksuel-chikane-2020.pdf</u>

The National Research Center for the Working Environment (2018): "Seksuel chikane i omsorgsarbejde" <u>https://amff.dk/media/11606/seksuel-chikane-i-omsorgsarbej-</u> <u>de-slutrapport.pdf</u>

The Danish Trade Union Confederation (2019): "Balance og ligestilling"

https://fho.dk/wp-content/uploads/2019/03/fhrapp-sexchikane-2019. pdf

FIU Equality (2019): "Forebyg seksuel chikane" <u>http://fiu-ligestilling.dk/tools\_materials/forebyg-seksuel-chikane/</u>

FIU Equality (2019): "Seksuel chikane – sådan siger du til og fra som kollega"

http://fiu-ligestilling.dk/tools\_materials/seksuel-chikane-kollegaansvar/

#### COLOPHON

Idea: Susanne Fast Jensen, FIU-Equality /3F Text: Melanie Evers, FIU-Equality /Dansk Metal. Susanne Fast Jensen, FIU-Equality /3F. Anne Gravholt, FIU-Equality /3F. Trine Rasmussen, FIU-Equality /3F. Layout: andresen design