



2018 Hiscox
Workplace
Harassment
Study™



While harassment in the workplace is not a new issue, it is being addressed more openly than ever before. From Hollywood and Silicon Valley to Washington, D.C. and Main Street, the spotlight is on the pervasive nature of harassment and the lasting implications it can have on its victims.

The 2018 Hiscox Workplace Harassment Study™ is compiled from a survey of 500 US adult full-time employees, and provides an understanding of the prevalence of workplace harassment. Harassment happens at companies of every size and is perpetrated by employees at every level, as well as non-employees like vendors and customers. Employees fear retaliation if they report harassment, and they are often concerned their employer will not respond appropriately.

A case of harassment at your company can have far-reaching implications, including potential financial ramifications stemming from claims or lawsuits. There may also be damage to employee morale and to the company's reputation. Business owners, executives and managers need to understand how harassment can impact their business and what they can do to prevent it from happening.

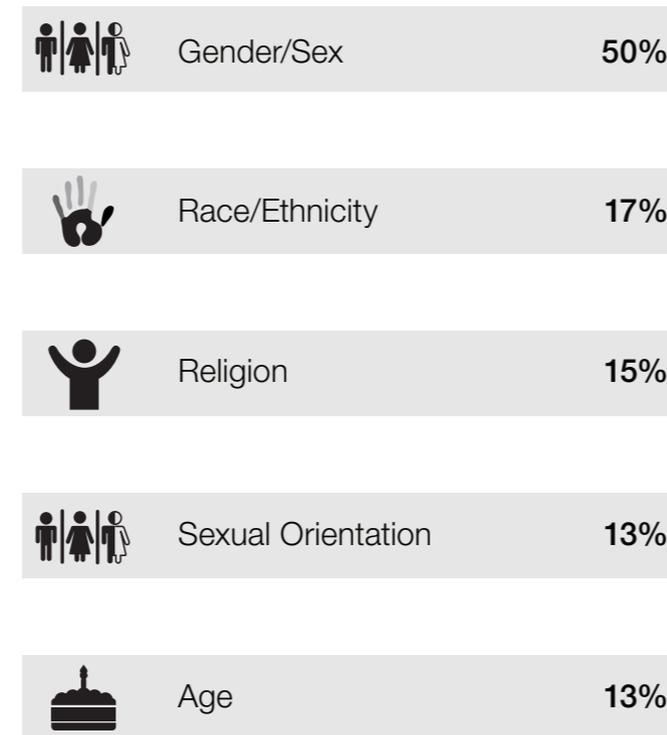
Harassment is Alarming Common

The Equal Employment Opportunity Commission (EEOC) defines harassment as 'unwelcome conduct based on race, color, sex (including pregnancy), national origin, religion, age, disability, or genetic information.' It is unlawful if enduring the offensive conduct becomes a condition of continued employment, or if the conduct creates a hostile work environment.

Sexual harassment is the most prevalent form of harassment and can include offensive remarks about a person's sex, such as making offensive comments to a woman about women in general. Sexual harassment does not have to be sexual in nature but can include unwelcome sexual advances, requests for sexual favors and other verbal or physical harassment.

According to survey respondents, 35% of workers feel they have been harassed at work. Among women, the figure is even higher at 41%. Consider this: If you have three employees, one of them has likely been harassed, either at your company or at a prior employer.

Top 5 Most Common Forms of Harassment



Percentages do not equal 100 because many claims cite multiple forms of harassment.



The Harasser: Gender and Seniority are Key Factors, but They're Not the Only Ones

Among survey respondents who said they were harassed, 78% said their harassers were men, and 73% said they were harassed by someone who was in a senior position to them in the organization. While it appears there's a 'typical' profile of a harasser, not every alleged offender fits this description. It's important to note that harassers can be any gender or in any position. Additionally, workplace harassment does not only occur among co-workers. Nearly one in five (17%) respondents said the person who harassed them was either a customer or vendor. In these cases, the employer could still be liable if they failed to stop the harassment.

Consider this harassment scenario, which may not be what you expect.

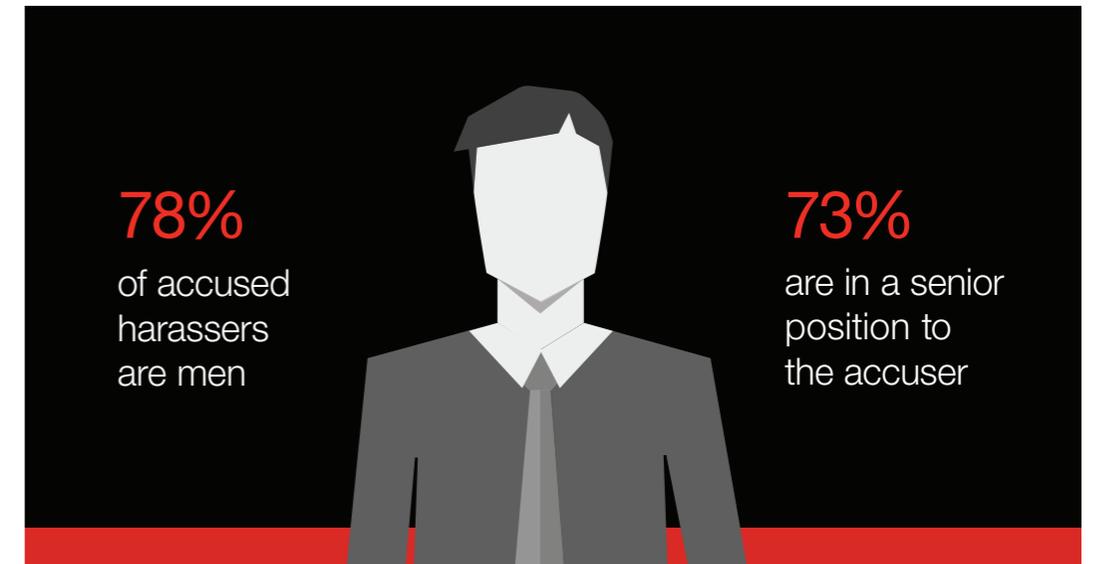
In her position as a pharmaceutical sales representative, Serena visited doctors' offices to educate physicians on her company's products. She was good at her job and was promoted to manage one of the company's largest clients, a large medical practice.

The first time she called on this client, she met with one of the senior physicians, a partner in the practice. During the meeting

the physician made sexually charged remarks to Serena about her appearance. She deflected the comments and steered the conversation back to her company's newest product. When she returned to her office, she informed her supervisor about the incident, noting that it made her uncomfortable. Her supervisor dismissed her concerns, saying that the doctor was 'old-fashioned' and 'harmless.'

On another visit to this client, the same physician made more offensive remarks and tried to touch her inappropriately. Serena informed him that his behavior was unacceptable and left the office. When she returned to her office and explained what happened, her supervisor informed her that because this practice was one of their largest clients, the only thing he could do was take her off the account, which would drastically reduce her commission.

This may not be a typical harassment scenario, but companies should be careful not to overlook any potential harassment situation. Harassment can be perpetrated by women against men, by members of the same sex, and as demonstrated in the above scenario, even by those outside the company like customers or vendors.

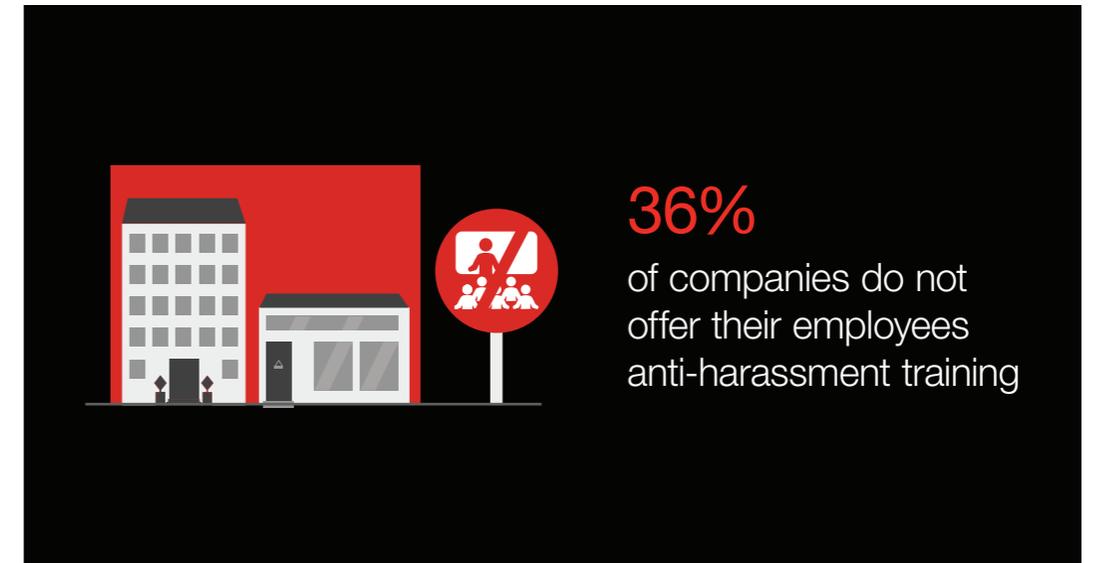


Harassment Happens at Companies of Any Size, but Reactions Vary

Claims of harassment aren't limited to large companies. In fact, the percentage of respondents who indicated they had been harassed at large companies (those with over 1,000 employees) and those at smaller companies (fewer than 200 employees) was the same (32%).

While small businesses may be more resource constrained than their larger counterparts, the risk is equally as great. If a company is charged with harassment, the financial consequences of the judgment will reflect the severity of the claim, not the size of the company that is subject to it.

- In companies with fewer than 200 employees, 39% have implemented new policies related to workplace harassment in the past 12 months, compared to 57% of companies that have more than 1,000 employees.
- Thirty-six percent of companies do not offer their employees anti-harassment training, and when looking at companies with fewer than 200 employees, this figure spikes to more than half (54%).



What is Harassment Costing Employers?



The financial cost to employers when their employees are harassed is only one part of the equation, but it's a big one. From 2010 to 2017, employers have paid out nearly **\$1 billion** to settle harassment charges that have been filed with the EEOC.

In cases of sexual harassment alone, employers paid \$46.3 million to settle charges received by the EEOC in 2017. These sexual harassment cases represented 30% of the total charges received.

These totals represent the amount that was paid out on charges that were concluded by the EEOC, and do not include any monetary payments received by plaintiffs as a result of litigation.

Source: Equal Employment Opportunity Commission (EEOC)

Why Harassment Goes Unreported

While harassment in the workplace is alarmingly common, of equal concern is how often the behavior goes unreported: four out of ten people who feel they were harassed didn't report the incident to company management or the police. This silence around harassment seems largely to stem from fear. Over half (53%) of those who experienced harassment didn't report it because they feared a hostile work environment. Nearly as many (46%) cited a fear of retaliation (such as being terminated from their job) as a top reason for keeping quiet.

Unfortunately, a significant number of those who reported harassment were dissatisfied with the outcome. More than a third (37%) of those who reported being harassed said the incident was not properly handled by their employer. When considering just women who reported harassment and felt their employer didn't appropriately handle the situation, the figure rises to 49%.

The Bystander Dilemma

In order for employers to create an environment that supports reporting of harassment, they must encourage everyone — including witnesses — to come forward. Often, it seems this is not the case. Forty-five percent of respondents said they have witnessed harassment in the workplace. Of those, 42% did not report it.

Top reasons why employees don't report harassment



Percentages do not equal 100 because many claims cite multiple reasons.



The Changing Mindset Around Harassment

The #MeToo and #TimesUp movements have brought harassment into the limelight, and they are changing the way we look at it.

In total, 85% of respondents said they believe people are more likely to report harassment today due to the influence of the #MeToo and #TimesUp movements. Of those who have been harassed, 65% said they would report the incident if it happened today, an increase of five percentage points over the number who reported it originally.

Millennials reported the highest percentage of being harassed (46%), compared to 35% of Gen Xers, and Millennials were more likely to report the harassment to company management or the police (76%).

Rallying for Change

Half (51%) of all respondents report their companies have implemented new policies related to workplace harassment in the past 12 months. Twenty five percent say the new policies were the result of social movements such as #MeToo and #TimesUp.

#MeToo and #TimesUp Are Having an Impact

#MeToo

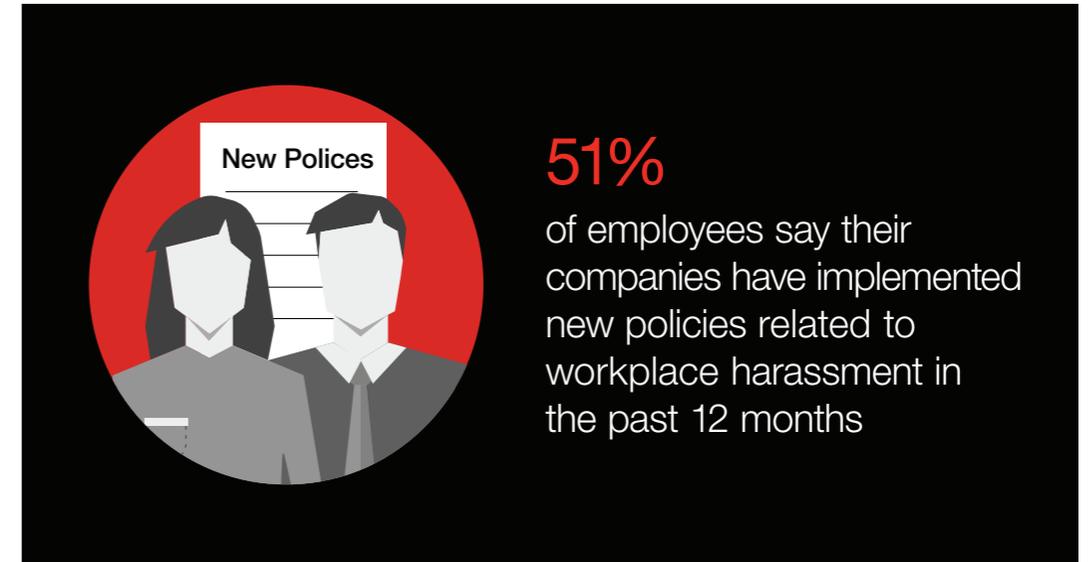
The #MeToo movement was founded in 2006 to help survivors of sexual violence, particularly young women of color from low wealth communities, find pathways to healing.

Source: www.metoomvmt.org

#TimesUp

TIME'S UP™ is an organization that insists on safe, fair and dignified work for women of all kinds.

Source: www.timesupnow.com



Protect Your Company Against Harassment Claims

Harassment claims can happen in any company, of any size, and in any industry. Harassment claims can cost a company more than just money. Lost productivity due to the distraction of a claim, damage to company morale and bad publicity all have a cost.

Here are the steps a company should take to prevent, detect and mitigate this type of behavior in the workplace.

Prevent harassment by:

- Educating your employees about harassment: what it is, how to avoid it and how to report it if it happens.
- Demonstrating a culture of inclusion from the top down.
- Maintaining a zero-tolerance policy regarding harassment, and making sure all of your employees are aware of it. This policy should be in writing, and each employee should sign to indicate they have received and read it.

Detect harassment early by:

- Watching for patterns of behavior that might indicate harassment, such as an employee's reluctance to work on a team with another employee, or a manager's refusal to promote employees of a certain group (e.g., women or those of a certain age or race).
- Addressing any allegations, reports or rumors of harassment, whether by an alleged accuser or an observer.
- Conducting regular, anonymous surveys of employees that include questions on the potential presence of harassment in the workplace.

Mitigate the impact of harassment by:

- Taking every complaint of harassment seriously. Investigate thoroughly, using outside counsel when indicated.
- Insuring your company with management liability insurance.

What is Employment Practices Liability (EPL) insurance?

There are a number of employment-related risks all businesses face. Employment Practices Liability (EPL) insurance provides coverage to employers for Employment Practices Violations, including, but not limited to:

- Wrongful termination of employment (actual or constructive), dismissal or discharge;
- Breach of implied contract;
- Harassment, sexual harassment or hostile work environment;
- Discrimination (including, but not limited to, discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);
- Retaliation;
- Employment-related libel, slander, humiliation, defamation or invasion of privacy.



Survey Methodology

The Hiscox survey was conducted by Wakefield Research among 500 US adults employed full-time, including 250 men and 250 women, between June 6 and June 11, 2018, using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey results does not vary, plus or minus, by more than 4.4 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

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