"Obviously Bad for Business"

The Role of the U.S. Private Sector in the Conceptualization of Sexual Harassment in the Workplace, 1975-2017

Multi-million-dollar settlements, negative press, and nationwide boycotts – for the U.S. private sector "sexual harassment is obviously bad for business."[1] Sexual harassment, as a political phenomenon, has been a battleground in the Culture Wars since 1975. Nevertheless, employers' stake in and control of the issue has been significantly underestimated by contemporaries and historians alike. This dissertation is grounded in extensive archival research, which unearthed corporate policies, training materials, newsletters, and legal documents. By analyzing sources from over twenty companies and multiple university archives, the study reveals how private sector practices shaped public understandings of sexual harassment.

I argue that, as employers were increasingly made publicly and legally responsible for sexual misconduct in their organizations, the private sector developed a new framework of sexual harassment which emphasized the financial risks associated with the phenomenon. Contrary to the prominent feminist and social conservative frames, this *management framework*, as I call it, was based on pragmatic rather than ideological objectives. Therefore, it was not pushed to the forefront of the polarized public debate on socially acceptable gender relations and power discrepancies, but rather was present as an undercurrent, which considerably impacted Americans' understanding of the issue.

I contend that authority regarding the definition of sexual harassment as well as the implementation of preventative and punitive measures has undergone a shift from government institutions to the private sector. The U.S. federal government inadvertently facilitated this shift by encouraging private employers to establish internal anti-harassment policies. Throughout the 1980s and 1990s internal policies and grievance procedures were recommended by the Equal Employment Opportunity Commission and a handful of judges as well as by management consultants, and increasingly by corporate lawyers. When the U.S. Supreme Court delivered its twin decision in *Faragher v. City of Boca Raton* and *Burlington Industries, Inc. v. Ellerth* in 1998, most companies already had anti-harassment measures in place. Nevertheless, these decisions were particularly influential as employers could now shield themselves from legal liability by maintaining grievance procedures. This effectively transferred regulatory authority from the state to corporations, allowing businesses to define, adjudicate, and enforce workplace conduct in ways that often prioritized organizational interests over employee rights.

[1] Sauvigné, Karen: Letter to Vice President Bush from Karen Sauvigné (WWI), August 19th, 1981, p. 2, BCA, Research on Women Records, Box 95.

I highlight how corporate policies on sexual harassment encroach upon employee privacy, particularly through workplace surveillance. Many companies implemented strict anti-fraternization policies, banning consensual relationships among colleagues to avoid any potential harassment claims. To enforce these rules, employers expanded their monitoring capabilities, including tracking email and phone communications, searching personal items on company premises, and even using video surveillance. Some companies went as far as accessing the cameras and GPS locations of corporate devices, even when employees were working remotely. Weak privacy protections and at-will employment laws in the U.S. allowed businesses to pressure workers into complying with invasive investigations, under the threat of termination for non-cooperation. These practices, framed as necessary measures to prevent harassment, ultimately contributed to an erosion of employee privacy.

In regard to sexual harassment, the microcosm of a company took on a state-like character; it was not, however, a democracy. While the justice system remained largely inaccessible to many harassment victims due to mandatory arbitration clauses and non-disclosure agreements, internal corporate procedures lacked transparency and accountability. This dynamic fueled distrust among employees, making some hesitant to report legitimate claims, while others feared wrongful accusations could irreparably harm their reputations and careers. The core principle of American jurisprudence "innocent until proven guilty" did not apply within company proceedings. Anyone accused of sexual harassment became an immediate liability for the organization. Thus, termination was the safest way to avoid litigation. However, if the value of the employee in question exceeded the risk of financial damages is court or arbitration, companies were known to disregard claims of sexual harassment. As a result, both victims of harassment and those accused—rightfully or wrongfully—found themselves navigating a system more concerned with risk mitigation than due process.

Ultimately, weak privacy laws and employee protection as well as the privatization of workplace regulation in the U.S. has been a major factor in the persistence of sexual harassment. By shifting responsibility from public institutions to private corporations, enforcement mechanisms have prioritized employer protection over meaningful structural change. This has limited accountability, discouraged reporting, and reinforced systemic inequalities. Addressing sexual harassment effectively will require reconsidering the role of government regulation and passing stronger legal protections for workers.