

What Boards Need to Know About Harassment Prevention: Understanding and Managing the Risks

Article By:

Alex Miller, J.D.

Natasha Nicholson

You may know that workplace harassment remains a significant risk to organizations, challenging leaders to take new measures to protect both their employees and their organizations. But did you know that corporate boards have an essential role to play as well? Boards can require that harassment prevention be a priority for leadership, ensure that related efforts are included in [ESG \(environmental, social, governance\)](#) reporting and serve as chief proponents of a culture of accountability. When boards become pro-active leaders in harassment prevention, workplaces experience more inclusive and accepting environments, become more productive, enjoy better communication and collaboration and position their organizations for great success.

Let's take a look at why harassment is a pressing issue that organizations must address and how boards can play a pivotal role in creating workplaces that are safe for everyone.

How harassment impacts workplace culture, productivity, and the well-being of employees

When workplace harassment exists, the damage to the organization can go far and wide, contributing to lower employee morale, decreased productivity and spiraling retention rates. Even as organizations have made significant progress in recent years, harassment continues to be an issue. A research [report](#) from All Voices indicated that 44% of employees surveyed have experienced harassment at work, 52% have not felt psychologically safe at work and at least 34% have left a job because of unresolved harassment issues.

Aside from the obvious human toll, harassment poses significant threats to companies in terms of legal, cultural and reputation risks. Harassment cases can cost millions in legal fees and the harm to a company's reputation is incalculable. [Research](#) by UCLA found that a single 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." The researchers suggest that companies need to be responsive and proactive when it comes to harassment claims, "which not only benefits alleged victims, but public perception as well." With [more than 10,000](#) cases of sexual harassment documented in 2021 alone not including the many

other types of harassment that goes unreported -one thing is clear: employers need to do more needs—and boards can lead the way. it starts at the top.

The risks associated with workplace harassment and the advantages of having an informed board

How seriously a company takes harassment depends largely on the value that leaders put into fostering an inclusive culture. [According](#) to the Society for Human Resource Management (SHRM), “An organization's culture defines the proper way to behave within the organization... Leaders in successful companies live their cultures every day and go out of their way to communicate their cultural identities to employees as well as prospective new hires. They are clear about their values and how those values define their organizations and determine how the organizations run.” This best practice applies to all corporate leaders, and it means that boards, at the highest levels of leadership, can and must be part of the harassment-prevention equation.

The board’s roles and responsibilities regarding harassment prevention

Executives from the Council of Institutional Investors describe [board responsibilities with regard to harassment](#) and other workplace issues as follows.

“Companies of all sizes and industries stand to benefit when the board of directors plays a central role in setting a strong tone at the top and providing leadership on corporate culture, including combatting sexual harassment, empowering employees to bring forward concerns and treating all employees fairly. Board members should pay attention to these issues, not only because they are responsible for risks that affect their companies’ bottom lines, but also because they have an obligation to shareholders to exercise oversight in the company and promote sound governance practices.”

When it comes to harassment, effective board oversight requires ensuring that company practice and behavior meets the expectations of stakeholders—including customers, employees, regulators, the media, and investors. At a minimum this means:

- Having an effective plan in place for mitigating harassment, with appropriate board oversight
- Having policies and procedures in place regarding harassment, including mechanisms for reporting harassment
- Training to ensure an effective response
- Not tolerating retaliation

In a strict risk management sense, most organizations cannot entirely avoid the risk of harassment. If you have employees, the risk of harassment is present.

Of course, any responsible organization will have adequate employment practices liability insurance, which can mitigate some of the potential harm. But reputational harm, including potential damage to a publicly traded company's share price, is not normally insurable. Nor can insurance cover harm to employee morale, increased staff turnover, or the loss of key personnel. In an era when CEOs and

top leaders are having to resign suddenly when harassment issues surface, some even facing criminal investigations, harassment poses risk to the enterprise, organizational compliance, and leadership continuity. Companies share prices have taken big hits in the face of allegations of widespread harassment, making them acquisition targets.

In other words, harassment risk has strategic and even fiduciary implications for board members. It needs a comprehensive mitigation plan backed by resources and leadership engagement with appropriate board oversight.

Nine ways boards can be pro-active leaders in harassment prevention

To take a proactive approach to harassment prevention, board members need to inform themselves on the company's approach to this issue and create accountability for a comprehensive response. Here are some key steps that board members can take, in collaboration with senior management, to ensure their organizations and their employees are protected:

1. Ensure that the board as a whole understands their responsibilities with regard to harassment prevention. The board's role in harassment prevention includes serving as an oversight body, ensuring proper processes and procedures have been put place to help prevent harassment. They also have a right to expect senior management to be forthcoming and transparent about claims of harassment, and to have clarity on any other harassment prevention measures that the company has put in place on an ongoing basis.
2. Set and reinforce a tone that demonstrates a commitment to harassment prevention. Everyone in the organization needs to be completely clear that harassment is against company policy and will not be tolerated. That messaging starts with senior leadership, as well as members of the board. By discussing the importance of harassment prevention at board meetings and holding senior leadership accountable for harassment prevention, the board is putting themselves in a position of leadership in a way that others will follow.
3. Take stock of how the company currently handles harassment claims. Put harassment prevention on the board agenda. In advance of a board meeting, gather as much information as possible about any past incidents and how allegations and claims of harassment are currently handled. Ensure that all board members are briefed and prepared to contribute at meetings.
4. Ensure that policies and procedures are in place to prevent harassment, as well as processes for responding to it if it occurs. This includes at a minimum having a policy prohibiting harassment that the company clearly communicates to employees at all levels regularly. It also requires having a plan for responding to complaints of harassment in a timely manner. In addition, through education, preparation and collaboration with senior management, the board can ensure that the company is following best practices in harassment prevention.
5. Reinforce that the board has responsibilities with regard to harassment prevention and must be kept informed. Make sure that any processes and procedures include informing the board of any harassment complaints and plans for handling them. If there are repeat offenders in the company, ask that the board receive an explanation as to why they remain on staff. Make it clear that board review is required for harassment complaints against the CEO or members of the senior management team.

6. Provide targets of harassment, and bystanders who observe it, with the tools and strategies to they need to speak up. This requires providing clear options to report harassment. Importantly, there should be mechanisms in place to report and address harassment allegations involving someone's supervisor. Moreover, if senior leadership, a board member, or investor is involved in misconduct, there needs to be an effective way for employees at every level to report that misconduct.
7. If harassment occurs, have robust mechanisms in place to identify unacceptable behavior and respond effectively. Ensure that someone inside the organization is qualified to investigate harassment complaints, or alternatively that the company has an outside investigator to work with on these matters. If high profile harassment allegations become public, have a plan for managing the public relations response. Particularly for high profile situations, it is critical to have a plan in place before allegations arise.
8. Provide harassment prevention training for everyone in the company, without exception. Effective training creates a common understanding of company policy and which behaviors are unacceptable. Note that this training should address not only harassment by other employees but also harassment from vendors, customers, and other third parties. And training should involve everyone in the organization, including senior leaders and board members.
9. Ensure that your harassment prevention policies prohibit retaliation against anyone who reports or opposes harassment. This includes good faith complaints against conduct that turns out not to involve harassment. It also means that leadership from the highest levels down must prohibit retaliation in any form. If there is a perception that the company tolerates retaliation, harassing conduct will go unreported and fester.

The specific mechanism for boards to oversee harassment prevention depends on how the company operates. For example, harassment risk may be included in an ERM (enterprise risk management) program. Harassment prevention efforts could also be part of [ESG](#), (environmental social and governance) reporting—by including the related risk mitigation as part of good governance and creating societal value by helping to meet expectations for good corporate behavior.

Ultimately, while harassment is an HR risk, it bears on governance and leadership continuity, social responsibility, brand and reputation, customer and vendor relationships, shareholder value—and even an organization's viability as an independent business. The board of directors is in a unique position to serve as an oversight leader in protecting the company from the risks of harassment now and into the future.

© 2025 Kantola Training Solutions, LLC

National Law Review, Volume XII, Number 125

Source URL: <https://natlawreview.com/article/what-boards-need-to-know-about-harassment-prevention-understanding-and-managing>