

Sexual Harassment and Gender Inequality in the Labor Market

Olle Folke
Johanna Rickne

Johanna Rickne, Professor of Economics
Olle Folke, Professor of Political Science

“Women suffer three times as much sexual harassment from managers and colleagues as men do.”

We study how workplace sexual harassment leads to gender inequality in the labor market. We examine how women's and men's risks of sexual harassment are related to the workplace sex composition. With these risk patterns as a starting point, we then show how harassment leads to more gender segregation and wage inequality.

Women suffer three times as much sexual harassment from managers and colleagues as men do. This exposure increases with the share of men in the workplace. Men's harassment has the opposite pattern and exceeds women's in strongly female-dominated workplaces. These numbers come from Swedish nationally representative survey data, which we link to administrative data to calculate the exact gender composition of each respondent's workplace.

When sexual harassment happens, information often spreads beyond company walls. Two-thirds of employed Swedes have information about such harassment events. We measured how prospective employees evaluate this information when they choose between (fictional) job offers. Knowing that harassment occurred reduces the attractiveness of a prospective employer by the equivalent of a 10% lower wage. Interestingly, this effect is three times as large when the victim of the harassment has the same gender as the job seeker. These results imply that harassment deters both women and men from entering workplaces where they become gender minorities. It also implies a hurdle to preventing harassment in sex-imbalanced workplaces: the relatively low negative valuation among the gender majority.

Harassment causes a larger wage gap by functioning as a tax on women in the highest-paying workplaces, and on men in the lowest-paying ones. In our data, a workplace with more than 80% men pays 9% more for the same work as a workplace with 80% women.

Harassment also causes more gender inequality by triggering job switches. It raises the probability to switch employers by 20% for women in the three years following the harassment, and by 15% for men. These switches tend to move women to workplaces with lower wages and fewer men.

