

WORKPLACE HARRASMENT LAW AND IT'S IMPACT ON ORGANIZATIONAL CULTURE IN INDIA

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Abstract

Sexual harassment in the workplace is one of the chronic issues all over the world that impacts employees of various industries and professional hierarchies. Moreover, it undermines individuals' dignity and equality, thereby hindering professional growth, lowering workplace morale, and damaging organizations' reputation and trustworthiness. Such malpractice not only harms victims on both personal and professional levels, but also undermines institutional trust and organisational productivity. The paper evaluates sexual harassment at the workplace both legally and in the organisational level. First, the paper examines legal framework related to the issue of harassment in the workplace, both international and Indian levels, regarding the landmark case of Vishaka v State of Rajasthan (1997) and the provisions involving the statutory safeguards conferred by the action of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 (POSH Act) as well as the provisions under the Bharatiya Nyaya Sanhita 2023 (BNS). These legal structures together form the basis of India's rules for preventing and dealing with workplace harassment. In addition, this paper examines the broader effects of harassment on institutions, focusing on its impact on workplace culture, how organizations behave, and the well-being of employees. The paper argues that while following the law is important, truly preventing harassment requires a bigger change in organizational culture. Second, the paper explores the broader institutional consequences of harassment by examining its impact on workplace culture, organizational behaviour, and employee well-being. The paper argues that while legal compliance is essential, meaningful prevention requires bigger cultural change within organisations.

Keywords: Sexual Harassment, Workplace Harassment, POSH Act 2013, Organisational Culture, Vishaka v. State of Rajasthan.

Introduction

Sexual harassment at work is not a new problem. However, the law and society have come a long way in taking it seriously. Harassment was a personal misconduct that was overlooked in the majority of the twentieth

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century. It was also hardly perceived as a structural or cultural failure. That changed slowly. The movement of MeToo that gained momentum in the world in 2017 made the issue enter the realm of the conscious mind. In media industries, technology, aviation, and politics, individuals emerged. The sheer scale of disclosures made it impossible to treat harassment as an isolated or occasional event.¹

The research by the International Labour Organization has revealed that over fifty percent of all working women have been harassed at one time in their occupation. In other sectors, the amount is even more significant. Formal complaints are, however, uncommon. My fear of retaliation, social stigma, and a lack of trust in what goes on inside all discourage the reporting. Since the 1990s, the legal framework in India has been evolving. The Vishaka judgment case² In 1997 decision by the Supreme Court was a turning point. It created binding guidelines for workplaces at a time when no legislation existed. The POSH Act of 2013 established a thorough legal structure. The BNS 2023 then incorporated revised criminal provisions. Regardless of these developments, there is still an uneven implementation. The ICC structures in many organisations are only on paper. The underlying workplace cultures have not changed as quickly as the laws have. This paper explores why that gap exists and what can be done about it.

The Legal and Regulatory Framework

Sexual harassment has a legal history in the country of India that does not originate with a law, but rather ends with the state failing to defend one of its own workers. In 1992, a government social worker in Rajasthan by the name of Bhanwari Devi was gang-raped by upper caste men in direct response to her efforts in stopping a child marriage in her village. She was in service, doing a given government task. The local police were not eager to do something. All five accused were found not guilty in the trial court. The state did nothing more. This was not a single failure, but it revealed a huge gap in the system. No law in India regards sexual harassment within the workplace as an illegal act. As a reaction to this, women's rights organizations moved to court by presenting a public interest action in the Supreme Court, claiming that such non-existence of law itself was unconstitutional. In *Vishaka v State of Rajasthan* (1997). The Supreme Court

1 Lilia M. Cortina, L. M., & Jennifer L. Berdahl, J. L. (2008). Sexual Harassment In Organizations: A Decade Of Research In Review. In J. Barling & C. L. Cooper (Eds.), *The SAGE Handbook Of Organizational Behavior* (Vol. 1, Pp. 469–497). SAGE Publications.

2 *Vishaka v. State of Rajasthan*, AIR 1997 SC 3011

believed that sexual harassment within the workplace would constitute a breach of Articles 14, 15, 19(1)(g), and 21 of the Constitution, which are the right to equality, non-discrimination, freedom of profession, and life with dignity. Failing action taken by Parliament made the Court make its own binding measures, in part inspired by the Convention on the Elimination of All Forms of Discrimination Against Women, and proclaim them binding law until acted upon by legislation. This was made the Vishaka Guidelines were the first legal standard on sexual harassment in the workplace in India.

The Vishaka Guidelines came with specific binding requirements upon all employers, both in India, whether government or not. The employers needed to explicitly forbid sexual harassment and inform every employee. They were required to be comprised of a Complaints Committee of which half were to be women, at least one of which must be external to the institution and of a legal profession to ensure they will not become institutionalized. The Committee was no longer but forced to bring time-limited investigations, a high degree of confidentiality, and sentence as per the prevailing laws of service. There was a compulsory awareness program. There were years, however, when compliance was sporadic. Most organizations were ignorant of the guidelines or opted to act differently. In *Medha Kotwal Lele v. Union of India* (2012), the Supreme Court ruled that Vishaka was not being enforced even in governments and institutions in the whole country. It gave detailed instructions that had to be followed to the letter and made it clear that the Complaints Committee was a de facto inquiry authority, the results of which had a formal legal effect of a disciplinary procedure. A professor in a university who harassed a junior colleague, in this case, could no longer claim that there was no real authority of an internal committee. That was an argument closed after *Medha Kotwal*.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013,³ formed a statutory basis for the Sexual Harassment and an elaborate expansion of the Sexual Harassment framework of Vishaka. Section 2(n) provides a broad definition of sexual harassment to involve physical contacts and advances, requests or demands for the favours of a sexual nature, sexually coloured remarks, showing of pornography, or any other form of unwanted physical, verbal, or non-verbal conduct of a sexual nature. To get a picture of what this entails on the ground, a situation in a corporate office whereby a top manager keeps making comments about the appearance of a female junior, regularly

3 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, No. 14 of 2013 (India)

whisks her at the end of the day, and sends her unsolicited messages requesting that she unwind after work with him, and even displays clear images of his phone. All the elements, namely the remarks, the messages, and the depiction of pornography material, separately satisfy Section 2(n). Physical contact is not necessary. This was cemented in a Supreme Court case of *Apparel Export Promotion Council v. A.K. Chopra* (1999) when one of the senior officers, many times tried to sit near a female subordinate, followed her and attempted to molest her on a tour. According to the respondent, no physical contact was actually achieved, and therefore no harassment was done. This was not accepted in any way by the Court, and it declared that any uncooperative behavior that infringes the dignity of a woman in the workplace does not meet the physical threshold. Section 4 expects that all organizations that employ ten or more employees to form an ICC that would include a chairperson who is a senior woman employee, along with two other employees and one NGO or legal expert, considering gender-based considerations, so that at least half of the committee should be women. The procedure is established in sections 9 to 13, complaints within three months, conciliation, where the complainant requests such before an inquiry begins, Inquiry, the inquiry under 90 days, and a written report, containing findings and disciplinary recommendations, submitted to the employer. Section 15 gives the ICC the right to suggest compensation touching upon mental trauma and loss of career chance, as well as medical expenses. Under section 19, it is clear that when the act reveals a cognizable criminal offence, the employer should make a report on the issue to the police, POSH process does not quash criminal liability. Section 26 provides the punishment of up to fifteen thousand rupees on the non-compliant employers, and the following offence can lead to cancellation of business licences (Sexual Harassment of Women at Workplace [Prevention, Prohibition and Redressal] Act, 2013).

The Bharatiya Nyaya Sanhita, 2023,⁴ which replaced the Indian Penal Code from 1 July 2024, added updated criminal provisions that directly apply in workplace harassment cases. Section 74 is a subset of sexual harassment and criminalises any unwelcome sexual advances, sexual solicitation, display of pornography, and any sexually coloured comments, which is a criminal offence equivalent to the provisions of the POSH Act. Section 75 refers to assault or criminal force which was employed to disgrace the modesty of a woman, punished with a maximum sentence of two years in prison. When a supervisor physically seizes a female employee in a storeroom, he is not only confronting an ICC inquiry at POSH — he is also committing an offence under Section 75. Section 76 deals with voyeurism,

4 Bharatiya Nyaya Sanhita, No. 45 of 2023 (India). Ministry of Home Affairs

which deals with the covert recording of a woman under the conditions of privacy, such as a restroom, changing stall, or privacy in a private office. This is also becoming more topical in the modern work environment: a 2022 case in a company located in Bengaluru in the IT sector concerned a male employee who had planted a secret camera in a female toilet. The ICC process was directly coexisting with Section 76. Section 77 addresses the issue of stalking, including in the case of online and incessant unwanted interaction. This is important since nowadays harassment has been transferred to the Internet world, where a male workmate regularly sends unsolicited WhatsApp messages to a female counterpart at night, when he is fully aware that she does not want to be communicated with in any way. The BNS also addresses criminal intimidation of a complainant after she has filed a complaint: when one of the managers threatens to terminate a contract of a complainant because she will pursue her complaint, she is engaged in a criminal but not a disciplinary offence. Section 28 of the non-derogation principle has the POSH Act and the BNS working in parallel. *Aureliano Fernandes v. The State of Goa (2023)*⁵ has affirmed that the criminal referral obligation of Section 19 POSH Act is practical — an employer cannot use the ICC process as an excuse for promoting the avoidance of engaging the police when the behaviour is shown to present a criminal offence (Bharatiya Nyaya Sanhita, 2023).

Combining these instruments, Vishaka, with the POSH Act, along with the BNS, form a multi-tiered system: on the bottom, constitutional safeguards; in the middle, a civil and quasi-judicial solution provided by the ICC; and on the top, criminal punishment. Theoretically, these layers support each other, but in practice, gaps remain. The fifty-thousand-rupee penalty provided by Section 26 does not put off the big organisations. In the case of a company that has thousands of employees, it is an administrative cost, rather than a preventive measure. The most transparent example of institutional failure in the formally conforming structure was the case of Air India: the ICC convicted one of its senior pilots of harassment, suspended him, and, on appeal, he was reinstated without clear published arguments (NDTV, 2020). The same message was sent to all the Air India workers, seniority is your fort! *Dr. Sohail Malik v. The dispute in Union of India (2025)*⁶ brought to light a gap in jurisdiction which the Act had never envisioned: having the harasser and the complainant as members of separate organisations, the ICC lacks real authority and has no cooperation

5 Fitzgerald, L. F., Gelfand, M. J., & Drasgow, F. (1997). Measuring sexual harassment: Theoretical and psychometric advances. *Basic and Applied Social Psychology*, 17(4), 425–445. https://doi.org/10.1207/s15324834basop1704_2

6 *Dr. Sohail Malik v. Union of India (2025)*.

procedures. *Aureliano Fernandes v. State of Goa (2023)*⁷ discussed natural justice failures in proceedings before an ICC but did not fully clarify the question that runs on the same track as what occurs when an ICC and police draw conflicting findings. The structure is better than it was. Only when you know its boundaries is when organisations and courts are motivated to continue innovating it.

Nuances of the Indian Socio-Cultural Context

The legal framework of sexual harassment in the workplace in India is reasonably comprehensive, on paper. What it runs within the social and cultural setting works against it. This is why very little harassment is ever actually reported, and even when it does, the process is often more intimidating than the harassment itself. Power distance is the single most significant structural factor. According to Hofstede Insights⁸ India is ranked as one of the least democratic countries in the world on the index of power distance, which is used to gauge how less powerful individuals in such a society tolerate inequality in the distribution of power (Hofstede Insights, 2023). This practically implies that it is not only uncomfortable for many Indian employees to report a supervisor, but also professionally insurmountable. The harasser has dominance over promotions, project assignments, references, and day-to-day working environments. Taking a legal right to complain is taking a chance of all that. This is not imagined. The studies about Indian workplaces time and again reveal that younger employees and especially junior females tend to view that reporting will hurt their career more than remaining silent will. Formal rights exist on paper. An explanation of power distance is the reason why they are so infrequently used.

Social norms that face the patriarchal society provide an additional layer of challenge, but also function based on gendered notions and stereotypes. The behavior of a woman in the workplace is constantly scrutinized in India in the context of modesty and propriety, which does not extend to men. When there is a complaint, then the behaviour of the man being complained against is doubted, but also the dressing, demeanour, and social living of the one complaining. This leaves a foreseeable deterrent. By expecting to undergo such scrutiny, women choose not to complain because it is safer (Menon, 2021).⁹ It also influences the credibility ratings of ICC members who are the products of the same social environment. Verbal harassment,

7 *Aureliano Fernandes v. State of Goa*, Supreme Court of India (2023, May 12).

8 Hofstede Insights. (2023). Country comparison: India. <https://www.hofstede-insights.com/country/india/>

9 Menon, N. (2021). *Seeing like a feminist*. Penguin Books India

constant sexually coloured comments, and unwanted attention are often brushed aside as harmless chit-chat or misunderstanding, particularly when the respondent is older, well-liked, or a male among male employees. A long way too much behaviour that legally amounts to harassment is thus never referred to as such.

Beneath these two dynamics is a deeper cultural force — what can most aptly be termed *log kya kahenge*, or what will people say. It is through this that the decision of a woman to report harassment is perceived not as a show of courage but as a source of shame to herself, her family, and her community. Many of the victims feel more paralysed by the fear of such a judgment than by the harassment itself. It is estimated that in Indian workplaces, an estimated fifteen per cent of the cases of harassment are never reported (International Labour Organization, 2022). Women keep silent and take themselves off the platform that will expose them to the harasser, they reduce their engagement in activities that would put them in the path of the harasser, and they silently put up with his behaviours to fit within his world. The whole expense is on the victim. The harasser remains the same. When women who do speak to the ICC are subjected to hostile interrogation by the ICC members, confidentiality is broken, or marginalization of the professional dimension, the warning to all spectators is made. The silence in this setting makes perfect sense. This is also the reason the legal system is difficult to use. While the law creates a right, cultural norms can make using that right very dangerous.

Harassment in the workplace doesn't happen on its own; it's more like a poison which slowly fills an organisation's culture — and from the inside — eating away at what good, fair and inventive places to work depend on. The harm it causes isn't just to the person who suffers it, but changes how whole teams feel and think, prevents any real movement forward on making the organisation diverse, and makes it usual not to say anything, which keeps those who do bad things safe, and punishes anyone who does complain. Importantly, harassment doesn't usually stay as one kind of damage — it often gets worse, going on to criminal frightening, forcing people to do things, and threatening people who protest, all of which the Bharatiya Nyaya Sanhita, 2023 (BNS) now deals with through a better, and more brought-together, legal system.

Erosion of Trust, Psychological Safety, and the Role of Intimidation

The idea of psychological safety — which means everyone feels safe to talk, ask questions, and share ideas without being punished or made fun of — is one of the most important things that affects how well a team does. A single incident of harassment, especially when accompanied by threats

of professional retaliation or personal harm, is enough to destroy this safety net for an entire workforce. Intimidation is the way harassment causes the biggest long-term harm in an organisation: it stops victims from speaking up, makes witnesses less likely to support their claims, and creates a memory loss within the institution. Colleagues who see or hear about harassment or a complaint that isn't handled properly start to believe that the organization cares more about following the chain of command than it does about fairness. This leads to what researchers call a "chilled environment," where employees stop speaking up or getting involved, not because they don't care, but because they're trying to protect themselves smartly.

In the landmark *Vishaka v. State of Rajasthan* (AIR 1997 SC 3011),¹⁰ the Supreme Court didn't just talk about the woman who was gang-raped for reporting a child marriage — it talked about what that kind of violence and institutional silence does to every working woman in the country. The Court recognised that when women cannot walk into a workplace without fear, their fundamental rights under Articles 14, 15, 19, and 21 are not just threatened — they're being actively violated every single day. That's a profound observation, and honestly, one that still doesn't get enough attention.

What adds even greater significance to this today is the *Bharatiya Nyaya Sanhita*, 2023. Section 351 BNS¹¹ now directly criminalizes criminal intimidation, which involves threatening someone with harm to their person, reputation, or property to force them into silence or compliance. In a workplace setting, this indicates that a manager who warns a subordinate, "If you file a complaint, I'll ensure you never work in this field again," is not simply acting as an ineffective leader. He's committing a cognisable criminal offence. Section 351(2).¹² The BNS also specifies that a person can face up to seven years in prison if threats are made using anonymous or electronic methods, which, in today's world, often includes WhatsApp messages and private emails, as these are common ways such intimidation occurs.

How "Just a Joke" Becomes Something Much Worse

From a harmless joke to something truly shocking. A comment suggesting that a woman might have been hired for reasons other than her own can be difficult to explain to non-legals or those who work in the legal

¹⁰ *Vishaka v. State of Rajasthan*, AIR 1997 SC 3011.

¹¹ <https://indiankanoon.org/doc/142872252/>

¹² <https://indiankanoon.org/doc/142872252/>

system. During group discussions, everyone on the team shares a joke that is considered hilarious because no one wants to be the only one who doesn't. They all managed to make impromptu presentations without any negative publicity. Together, these actions create essentially neologisms by gradually building dreadlocks where disrespect is widespread, and women feel unworthy of their services. *Apparel Export Promotion Council v. A.K. Chopra* (AIR 1999).¹³ It is an important case that highlights the importance of legal standards in normalizing microaggressions, which was addressed by the Supreme Court. The Court ruled that any action that undermines the dignity or results in a hostile work environment is considered essentially haram, according to SC 625. This case is particularly close to criminal intimidation, as it is often ignored and only becomes a matter of minor issues when the microaggressions become so serious that the person resists action by simply refusing to keep records or communicate with HR. The playful teasing then takes on threatening consequences, spreading rumours about her career, infiltrating the media, and those of the perpetrator's colleagues challenge her professional life in subtle ways that are difficult to define but impossible to conceal.

The Delhi High Court accurately captured this dynamic in *Saurabh Kumar Mallick v. Comptroller & Auditor General of India* (2008)¹⁴ 151. The DLT 261 ruling states that a continuous pattern of degrading treatment constitutes an unfriendly work environment, and it is essential for employers to demonstrate institutional support for such behavior by refraining from speaking up. I recommend sitting with you for the final segment. Silence is not neutral.

The Promise of Diversity that is Increasingly Disregarded

Every major Indian corporation today has a diversity and inclusion policy. Most have gender sensitisation workshops, some have women's leadership programmes, and almost all have an Internal Complaints Committee that exists — on paper, at least. And yet, the numbers tell a different story. Women remain dramatically underrepresented in senior leadership, not because they lack capability or ambition, but because the organisational environments they navigate are exhausting in ways that their male colleagues simply don't experience.

Harassment is a structural barrier disguised as an interpersonal problem. And criminal intimidation is its enforcement arm. When a woman who files a complaint suddenly finds herself being monitored, her emails being watched, her movements being tracked — that's not paranoia, that's

13 <https://indiankanoon.org/doc/130365049/>

14 <https://www.casemine.com/judgement/in/56e66a55607dba6b534361a4>

Section 79 BNS¹⁵ territory, which criminalises workplace surveillance and voyeuristic conduct used as an instrument of control. When she's being called repeatedly, sent unwanted messages, or followed after she's made her discomfort clear — that's Section 78 BNS.¹⁶ The legislature put these provisions in place because it understood something that too many organisations still don't: that retaliation is part of the harassment cycle, not a separate issue.

The Supreme Court in *Medha Kotwal Lele v. Union of India* (2012) 9 SCC 1¹⁷ had to essentially drag state governments into compliance with rules that had existed for fifteen years since Vishaka. The Court found that Internal Complaints Committees were either non-functional or being weaponised against complainants, which means that the very mechanism created to protect women was being used to intimidate them further. That case is a masterclass in how institutional failure and individual harassment feed each other. And under BNS 2023, an employer who knowingly allows or tacitly encourages a complainant to be threatened or intimidated isn't just liable under the POSH Act — they're potentially looking at criminal exposure under Section 351 as well.

The Supreme Court's earlier ruling in *Rupan Deol Bajaj v. K.P.S. Gill* (1995) 6 SCC 194¹⁸ established a principle that deserves to be repeated loudly and often: no rank, no title, no institutional prestige immunises anyone from criminal liability for violating another person's dignity. A Director General of Police was held accountable. The message was clear then, and it's clearer now under BNS — power is not a defence.

At the end of all of this, the point is straightforward even if the law is complex: organisations that treat harassment as a series of isolated bad acts, rather than as a cultural and structural problem, will keep failing — legally, institutionally, and morally. The BNS, read alongside the POSH Act and decades of Supreme Court jurisprudence, gives us a framework that is finally comprehensive enough to address not just the acts of harassment themselves, but the fear, silence, and intimidation that allow those acts to continue. The question is whether organisations — and frankly, whether we as future lawyers — will take that framework seriously.

15 <https://indiankanoon.org/doc/149679501/>

16 <https://indiankanoon.org/doc/149679501/>

17 <https://indiankanoon.org/doc/48293767/>

18 <https://indiankanoon.org/doc/579822/>

Psychological and Cultural Contagion

Think of harassment in a workplace like an infection. The first case might look isolated, even containable. But if there's no institutional response — no one willing to say *this stops here* — it spreads. Quietly, systemically, until the toxin isn't coming from one person anymore. It's coming from the culture itself.

This is psychological and cultural contagion, and it is arguably the most legally underappreciated dimension of workplace harassment. We spend considerable time in law school discussing individual liability — who did what, to whom, and whether it crosses a defined threshold. What we examine far less is how harassment fundamentally rewires the collective psychology of a workplace — reshaping what people believe is normal, what they tolerate, and what they are willing to do to survive.

Fear as the Dominant Culture

You don't need to be the direct target of harassment to be psychologically harmed by it. Witnessing it — or simply knowing it happened and watching the institution's silence in response — changes you. It recalibrates your threat assessment. You become hypervigilant, strategic about what you say, careful about who you trust. You stop making career decisions based on ambition and start making them based on fear. When enough people in a workplace reach this point, silence stops being a series of individual choices and becomes a self-reinforcing collective norm. New employees absorb it within weeks. The contagion has spread to people who weren't even present for the original incident.

The Supreme Court implicitly recognised this in *Vishaka v. State of Rajasthan* (AIR 1997 SC 3011)¹⁹ by imposing preventive obligations on all workplaces — not merely those where incidents had been reported — acknowledging that cultural decay begins long before any formal complaint is filed.

Defamation as a Tool of Contagion

One of the most calculated ways perpetrators sustain a culture of fear is through reputational destruction. When a victim speaks up, the response is frequently not just intimidation — it's defamation. Rumours are circulated about her character, competence, or motives. Her credibility is systematically dismantled through false narratives spread to colleagues,

19 <https://indiankanoon.org/doc/1031794/>

supervisors, and professional networks. This serves a dual purpose: it punishes the complainant and sends a warning to every potential witness watching.

Section 356 BNS²⁰ now consolidates the law of defamation, criminalising the making or publication of any imputation intended to harm a person's reputation. Crucially, Section 356 (2) BNS addresses defamation through electronic records and digital communication — directly relevant in workplaces where false narratives spread through group chats, professional platforms, and internal emails with devastating speed. Read alongside Section 351 BNS on criminal intimidation, a perpetrator who threatens a complainant and then orchestrates a reputational attack against her is engaging in a coordinated criminal campaign, not merely bad workplace behaviour.

In *Medha Kotwal Lele v. Union of India* (2012) 9 SCC 1, the Supreme Court's deep frustration at institutional non-compliance with Vishaka was, at its core, a frustration with exactly this phenomenon — cultures so thoroughly conditioned by toxic norms that even court-mandated reforms struggled to penetrate them.

For us as law students, this is the critical takeaway: legal tools are only as effective as the cultural environment in which they're deployed. A complaint mechanism inside a psychologically contaminated workplace isn't a safety net — it's a trap. Victims know it. Bystanders know it. Perpetrators know it best of all. Understanding the law means understanding not just what it says, but why the harm it addresses is so much harder to uproot than any single act of misconduct.

Impact on Economic and Operational Costs

From the previous sections, it can be understood how sexual harassment is defined, the legal and regulatory framework applied, and how Indian society as a whole perceives sexual harassment. In addition, it is evident that harassment acts as a toxin in the workplace, impacting organizational culture within companies. While all these are visible to the public, there is a hidden impact, or a hidden tax or damage, that has a significant impact on companies. These hidden damages or the hidden taxes are the economic and operational costs that are borne by the employers of the companies. These Economic and Operational costs include the following:

- 1) **The “Brain Drain” Phenomenon:** High turnover rates and the loss of female talent following unresolved harassment claims.

²⁰ <https://indiankanoon.org/doc/149679501/>

- 2) **Decreased Productivity and Employee Engagement:** The psychological toll that leads to “presenteeism” (being physically present but mentally disengaged).
- 3) **Reputational Risk in the Digital Age:** The impact of “social media trials” and Glassdoor reviews on an organization’s employer brand.²¹

A LinkedIn survey among women in corporate firms across India reveals that nearly 70% have experienced at least one form of workplace harassment in the past year. The most common is sexist hostility (60%), followed by unwanted sexual attention (44%). Many women also report criminalized acts like unwelcome touching and indecent exposure. Data from the Ashoka University Centre for Economic Data and Analysis and a Business Standard analysis of annual reports filed by 300 companies on the National Stock Exchange (NSE) show that 10,337 sexual harassment cases were registered under the POSH Act between FY14 and FY25.²² Reporting grew by 974 per cent, while approximately 14 per cent of all cases remain unresolved. Among the 300 NSE companies in India, in FY25, most sexual harassment complaints were filed in Wipro, reporting 195 complaints, followed by Tata Consultancy Services (125 complaints) and ICICI Bank (117 complaints). All this data shows us that even after nearly 30 years of the infamous Vishakha judgement, which laid down the foundation for the prevention of sexual harassment at the workplace by establishing the Vishakha Guidelines, which in turn became the crux of the POSH ACT 2013, sexual harassment at the workplace remains a widespread disease around the world.

In this patriarchal society, where women already struggle through the gender bias and casual sexism to advance in their careers, being a victim of sexual harassment at the workplace makes it even more difficult for them to advance in their careers, attain promotions, and work at a senior level because they are sidelined even more than before. This is due to the harasser, or in many cases, where the management is biased towards the harasser, punishing such women by demoting them, denying raises, promotions, transferring to unwanted places slowing and gradually isolating or icing them out eventually causing the women to resign from their jobs due to the fear of gaining power over the harasser or the supporter of such

21 Dam, A., Sitniski, D. D., & G2LM, LIC. (2025, October). *Seventy percent: The reality of workplace harassment in India* (By IZA – Institute of Labor Economics) [Press-release]. G2LM|LIC. Retrieved March 15, 2025, from https://g2lm-lic.iza.org/wp-content/uploads/2025/11/GLMLIC-Policy-Brief_079.pdf

22 Pankaj, J. (2026, March 6). *Sexual harassment complaints rise as women remain 20% of India Inc. Business Standard Number Wise*. Retrieved March 15, 2025, from <https://businessstandard.substack.com/p/sexual-harassment-complaints-rise>

harasser. The combined impact of these job losses through harassment, career derailment, and accepting a pay cut contributes in a substantial way to the ongoing gender pay gap in India, where such gender-based economic discrimination continues.²³ The economic cost of workplace sexual harassment is therefore a major deterrent to women's economic empowerment, with a staggering economic burden throughout their working careers. In simple terms, it is the brain of women talent from workplaces. Harassment prompts high female turnover, with many women quitting to protect their mental health, costing firms in recruitment and lost expertise.²⁴ About 47% of Indian women leave jobs due to harassment, contributing to a "harassment tax," where women forgo 19% wages for safer workplaces.²⁵ POSH complaints rose 79% in top firms (FY20-24), often leading to unreported exits.²⁶

Women, as humans, often endure significant mental suffering after being subjected to harassment. This can lead to ongoing nervousness, mental anguish, and fear, which may cause severe depression and stress. They might also experience post-traumatic stress disorder (PTSD) due to flashbacks of the traumatic incident. All of this contributes to feelings of shame, helplessness, and isolation, making it difficult to form healthy professional relationships again. Over time, these mental health issues can also impact physical health, resulting in insomnia, migraines, chronic fatigue, and cardiovascular problems—factors that ultimately hinder a woman's focus and career advancement. A descriptive study conducted in Dhansha District, Madhesh Province, Nepal, found that 5.71% of women who have experienced Sexual Harassment suffered from headaches and body aches, 5.71% from high blood pressure, 22.86% from anorexia, 20% from restlessness and insomnia, 17.14% from fatigue, 14.29% from anxiety,

23 Swathi M S. (2025, June 25). *Impact of Workplace Sexual Harassment on Women's Career*. *ljrfvoice.com*. <https://ljrfvoice.com/impact-of-workplace-sexual-harassment-on-womens-career/>

24 Azmi, A. (2024, January 9). *The economic costs of workplace sexual harassment in India: impacts and solutions*. Retrieved March 15, 2026, from <https://www.linkedin.com/pulse/economic-costs-workplace-sexual-harassment-india-impacts-6kxwc/>

25 Dam, A., Sitniski, D. D., & G2LM, LIC. (2025, October). *Seventy percent: The reality of workplace harassment in India* (By IZA – Institute of Labor Economics) [Press-release]. G2LM|LIC. Retrieved March 15, 2025, from https://g2lm-lic.iza.org/wp-content/uploads/2025/11/GLMLIC-Policy-Brief_079.pdf

26 Sahu, A. (2024, December 10). Sexual harassment complaints at India Inc rise by 79% in last 5 years. *ETHRWorld.com*. <https://hr.economictimes.indiatimes.com/news/workplace-4-0/diversity-and-inclusion/sexual-harassment-complaints-at-india-inc-rise-by-79-in-last-5-years/116137786>

11.43% from depression, and 2.86% had lost weight.²⁷ This data highlights the profound toll that sexual harassment can take on a woman's mental and physical health at her workplace.

Women in India can face severe consequences of sexual harassment in the workplace, both in the short and long term, in terms of job satisfaction. Workplace environments that are threatening, hostile, or aggressive make women feel insecure, disrespected, and undervalued, leading to a lower level of job satisfaction for women who are exposed to these types of work environments. The pervasive apprehension of inappropriate behaviour and the emotional toll taken on women when they are subjected to or observe harassment damages their job satisfaction and community feeling. This level of extreme dissatisfaction and the desire to avoid the location of the harassment have resulted in a significant increase in the turnover of female workers in the workplace in India. By leaving their jobs, many women are attempting to protect their physical and mental health and find new employment opportunities in a safe and respectful work environment. Research shows that many people have left their jobs as a result of the high occurrence of sexual harassment in the workplace.

Deloitte conducted Deloitte Access Economics' analysis, which they completed for Treasury in 2019, and formed an appendix to the Respect@ Work report.²⁸ They used a bottom-up approach, first establishing the number of people who have been sexually harassed in the workplace, based on the severity of that harassment. The results that came out of this are an example of how, actually, the economic and operational costs are impacted in such reputed companies. In 2018, workplace sexual harassment cost \$2.6 billion in lost productivity and \$0.9 billion in other financial costs. Each case of harassment represents around 4 working days of lost output. Employers bore 70% of the financial costs, the government 23%, and individuals 7%. Lost well-being for victims was an additional \$250m, or nearly \$5000 per victim on average. The methodology for the report is a global first, as the cost of workplace sexual harassment has not previously been estimated anywhere in the world.

27 Jha, L., Giri, S., Sah, P., Kapar, V., & Yadav, P. (2023). Sexual Harassment and its Impact in Females at Workplace in Dhanusha District, Madhesh Province, Nepal. *MedS Alliance Journal of Medicine and Medical Sciences*. <https://doi.org/10.3126/mjmm.v3i5.60089>

28 *The economic costs of sexual harassment in the workplace | Deloitte Australia | Economics*. (2020, March 2). Deloitte. Retrieved March 15, 2025, from The economic costs of sexual harassment in the workplace

In this era of rapid advancement in the use of technology, especially social media, which has connected the whole world like a global village, a single post or a tweet can cross thousands of kilometers, reach the audience, and create an impact on their lives. Therefore, more scandals of sexual harassment can be brought into light through social media and Glassdoor reviews. The women can share their stories of mishandled sexual harassment reports, how they are being sidelined on purpose, etc. The following illustrative scenario can help to better understand how this works. In this scenario, an employee who is complaining about sexual harassment at a reputable company continues to experience harassment at her place of employment after reporting the harassment. The employee has left her job after filing the complaint, and the company filed a charge of retaliation against the employee, who was punished with a demotion in pay and a loss of status in the company. The employee posted a review on Glassdoor.com stating that this company is a “public # MeToo waiting to happen.” It has been reported that the company used an outside firm to help manage their reputation, and within a few days of her posting the review, the company paid to have her review expunged from all available reviews at Glassdoor.com, which is simply to quiet the employee’s complaint seen by the offline public. The CEO of the company sent a company-wide email to employees “debunking” the employee’s review on Glassdoor.com. The fact that the company had to send a company-wide email in order to disprove the employee’s review indicates the company utilized an extraordinary amount of company resources to support the management of the company’s lawsuit against the employee, instead of properly managing the employee’s complaint internally.

The turnover of female employees has impacted not only individual women but also has created an enormous financial burden for companies in hiring new employees, training new employees, and losing valuable experience and productivity. The inability of a workplace to provide a safe and respectful environment for women is therefore resulting in the loss of women’s talent in the workplace. Bringing attention to these costs helps employers understand the seriousness of workplace sexual harassment and encourages them to strengthen their efforts by handling reports of sexual harassment with utmost priority, care, and seriousness without any bias and ensure highest level of transparency and fairness during the procedures followed after receiving such a complaint. It motivates them to develop and implement practices that ensure a safe and respectful working environment—something every woman deserves.

Conclusion

Sexual harassment at the workplace is not simply a legal problem waiting for a legal solution. If this paper has shown anything, it is that the law and lived reality often exist in painfully different worlds. India now has one of the more structured legal frameworks for addressing workplace harassment — built carefully over decades through the Vishaka guidelines, the POSH Act, and now the Bharatiya Nyaya Sanhita. And yet, nearly thirty years after Bhanwari Devi's case forced this conversation into the open, thousands of women continue to weigh the same exhausting calculus every day: is speaking up worth what it will cost me? That question — and the fact that so many women answer it with silence — is the most honest measure of how far we still have to go. The law creates rights. But as this paper has argued, cultural norms determine whether those rights are usable. When power distance makes reporting a supervisor feel professionally suicidal, when patriarchal expectations place the burden of scrutiny on the victim rather than the perpetrator, and when the fear of *log kya kahenge* weighs heavier than the harassment itself, the most carefully drafted statute becomes a hollow promise. The Internal Complaints Committee exists on paper in thousands of organizations. What it cannot guarantee is the psychological safety that makes using it anything other than an act of enormous personal sacrifice.

The organizational costs explored in this paper make the stakes even plainer. Harassment is not just a moral failure — it is an economic one. When nearly half of Indian women leave jobs because of harassment, when the gender pay gap widens as a direct consequence of career derailment, when the “brain drain” of female talent bleeds quietly from companies that publicly celebrate diversity, the price is borne not just by individuals but by the institutions that failed to protect them. The Deloitte findings were stark: billions in lost productivity, with employers bearing the bulk of costs they could have avoided. The irony is painful. The very organizations that lose the most from tolerating harassment are often the ones least willing to confront it. What this paper ultimately urges is a shift in how we think about prevention. Compliance is the floor, not the ceiling. Filing annual reports, constituting an ICC, and distributing a policy document — these are necessary, but they are not enough. Meaningful change requires organizations to look honestly at their own cultures: who gets protected when complaints are filed, whether silence is treated as neutral, and whether the mechanisms designed to help women are, in practice, being used against them. The Supreme Court's frustration with *Medha Kotwal Lele* was not really about paperwork. It was about institutions that had learned to perform accountability without practicing it. For students of

law, this is perhaps the sharpest lesson this paper can offer. The law is a powerful instrument, but it operates inside a society — and that society pushes back. Understanding sexual harassment law means understanding not only the provisions of the POSH Act or the sections of the BNS, but why the harm they address is so much harder to eradicate than any single act of misconduct. It means asking not just “what does the law say?” but “who does the law actually reach, and who does it leave behind?” Every woman deserves to walk into a workplace without calculating the cost of her own dignity. That should not be a radical proposition. The law has said as much since 1997. Making it real in culture, in leadership, in the daily texture of organizational life is the work that remains.