

iLUMinate Blog Transcript: Stephanie Prevost on Preventing Sexual Harassment by Clients

Recorded April 16, 2025. Listen to it [here](#).

Transcription results:

- ANNOUNCER: 00:14 [music] This podcast is brought to you by iLUMinate, the Lehigh Business blog. To learn more, please visit us at business.lehigh.edu/news.
- JACK CROFT: 00:25 Welcome. I'm Jack Croft, host of the iLUMinate podcast for Lehigh University's College of Business. Today is April 16th, 2025, and we're talking with [Stephanie Prevost](#) about her study on why professional firms need to focus on preventing sexual harassment by clients. Stephanie is a professor of practice of law at Lehigh's College of Business. Before joining Lehigh, she served as the COO/general counsel of a boutique investment advisory firm focused on utility-scale renewable financing. Stephanie, who is licensed to practice law in Pennsylvania and Massachusetts, has also held legal and business roles at a large law firm and in the banking industry. Thanks for being with us today, Stephanie.
- STEPHANIE PREVOST: 01:14 Thanks. Thanks for having me. It's great to be here.
- CROFT: 01:17 Now, what are some of the particular challenges for professional firms trying to prevent sexual harassment of their employees by clients? How does sexual harassment by clients differ from sexual harassment in the workplace?
- PREVOST: 01:35 One, it's harder to understand the scope of the issue. People don't report sexual harassment internally at a company as much as we would like them to. And the lack of reporting is even more prevalent when someone's being harassed by a client. There's also this factor of there's a lack of accountability or at least a belief that there's a lack of accountability with clients. So if there's a third-party harasser, there's a sense that what can we really do about it, right? So I think there's definitely some challenges that make-- I think addressing any type of sexual harassment can be challenging, but there are some challenges with addressing it when it's by a third party and in particular by a client in a professional environment.
- CROFT: 02:28 What kind of distinguishes that relationship between client and professional firm in terms of kind of the-- I don't know if I want to say the balance of power, but kind of that equation of the relationship between the company and especially the employee who's handling the client and the client if the client is making or is paying a large sum of money for the services?
- PREVOST: 02:58 Right. There is a real imbalance of power, potentially. And it's one of the reasons why I focused this sort of research and I'm continuing to focus the research on sort of high-value client industries, like law, consulting, finance, because these types of clients, it's not quite so straightforward. If you compare it to a restaurant, for example, the sexual harassment that can occur to someone working in a restaurant is, yes, awful and severe, as well, but the impact on the business itself, when you tell that client to leave, the person coming into your restaurant, may not be as impactful as at a law firm when it's one of your biggest clients that potentially is a huge revenue generator. They do hold more power, and it does make it harder to address the issue for an employer that wants to meet the needs of their employees, but also needs to

make sure that they're an ongoing, successful company that may not have the flexibility to just get rid of that client to terminate the relationship.

CROFT: 04:03

Yeah. And I wonder, given that imbalance of power and that relationship between very wealthy clients often and professional firms, such as you mentioned, law and finance and such, why do you think that the sexual harassment by clients has received far less public attention and research so far than sexual harassment in the workplace?

PREVOST: 04:32

I think to some extent, it's because it's even more hidden, right? We've had this relatively recent-- I mean, sexual harassment has been a problem for a long time. And we've had a relatively recent movement with #MeToo and sort of other evolutions in addressing sexual harassment within sort of internally committed sexual harassment within the workplace. Sexual harassment by clients can be just as pervasive and damaging to someone's career, but it's even more hidden. The reporting, we're seeing some evidence through the research, it's being reported even less than other types of sexual harassment because of these imbalances in power and the potential impacts on someone's career. There's also not as many women in these spaces where you can have these one-on-one or small-group interactions with clients. Obviously, internally at a company, there may be a lot more women who are exposed to harassment, but in these spaces, there's just not as many women. And that also does impact the reporting as well. And I do think the fact that it's harder to address, it's harder for an employer to address, is impacting the research and the awareness we all have of it. Sort of there's less of a willingness to talk about it because we don't really have good paths to resolution when the problem arises.

CROFT: 05:53

Now, what does the limited research that has been conducted into sexual harassment by clients suggest about how widespread the problem is? Do you have a feel for that at this point?

PREVOST: 06:06

Well, I'm trying to get a better feel for it by starting to conduct some additional research myself. But we do know from existing research that, one, sexual harassment across the board is underreported. So knowing that, there is some older research, back in the mid-'90s, that showed it was sexual harassment by clients in these types of industry was relatively extensive with more than 40% of women reporting it, reporting that it had occurred, not reporting it up through their employer, but reporting in a survey type of environment. And then there's also reporting and research that's suggesting it's happening, but it's just really challenging to get that data because employees aren't going to report it to their employers. And they don't necessarily want to come out and talk about it because, like we said, it can have these negative impacts on their ability to work with a successful client, to be on these really beneficial project teams. And I think it's a bit naive to think that-- we know that sexual harassment takes place in the workplace, especially when there's an imbalance of power. And I think it would be naive to think that this isn't happening. I think it's easy to ignore it or sort of look away. But it's naive to think that this is not happening when we're in a workplace environment where there is an even potentially larger imbalance of client when we're talking about a high-powered, high-value client and the employee and even less accountability than you would have within your own workplace. So these are situations, imbalance of power, lower accountability, and anecdotally, we're aware that this type of harassment is happening. I think it's just not talked about as much. So I do think we need more research to sort of bolster the data we already have.

CROFT: 07:57

Ideally, the harm that sexual harassment does to a company's employees should be incentive enough for them to want to address the problem and eradicate it. But if you could talk-- I mean, I think there's another one, too, which is that there are liability issues for the companies, for the employers regarding harassment by clients. And can you talk a little about what some of those main issues are?

PREVOST: 08:27

Sure. Yeah. And I'm not sure that all employers or people in leadership positions understand that there is actual legal liability. Clearly, we've established and it should be well known that you have liability if your own employees are harassing other employees, especially in situations where there's an imbalance of power. But there's also legal liability for employers if the employees are exposed or being harassed by third parties, which includes clients. So the employers can face liability if there's a hostile work environment and the company is failing to try to take reasonable steps to prevent that harassment. You're right, though, and I appreciate what you said at the beginning of that question, that beyond just the legal liability, there should be this incentive to want to protect your employees from this type of harm. But it is important to recognize also that, yes, this good faith efforts of the employers, also, if you have hesitation as a leader, which I hope no one would, but if they do, there is actual legal liability that you can face.

PREVOST: 09:36

And now I think it's also important to note that in the past few years, there was legislation passed by Congress that traditionally, historically employers have been able to mandate arbitration, which keeps disputes outside of our legal system, right? Mandate arbitration even in cases of sexual harassment. And that adds to the issue of people not talking about this. And so legislation was passed that now employees can opt out of that arbitration if it's a sexual harassment claim. And so the employers don't have that ability to sort of keep these types of claims quiet. And so other liability that they would need to think about is, "If I'm not addressing this, if I'm not thinking about this, one, we could face legal liability, two, maybe we're even successful in defending ourselves, but if this claim comes out in the public, you also are facing reputational harm, which can damage your company, damage your ability to recruit women, qualified women, and others, too, of course. And it can impact your relationships with your clients just from the fact that these types of claims are getting out there." So I think there's potential negative impacts for the employers. I mean, obviously, there's a lot of negative impacts for the employees as well. But when employers are thinking about how to approach this, you really need to take that broad view of this can have impacts on your business pretty broadly.

CROFT: 11:07

The core of the study that you've done is you have four recommendations on how companies can address sexual harassment by clients and, hopefully, eradicate it. And I'm wondering, based on the research you've reviewed, what steps should any professional firm consider before they implement processes and procedures to prevent harassment by clients? And related to that, if you could briefly introduce the four main recommendations you're offering for companies too. And it's, as you say in the study, "proactively eliminate the harassment of their employees at the hands of clients without terminating client relationships." And then we'll talk about each of those in more detail to follow.

PREVOST: 12:01

I put out these recommendations, and I do think it's important to take a step back before a company just jumps in and tries to implement anything. You need to have a really honest exploration of whether the leadership at your company truly has a

genuine interest in addressing the issue. Because as any business leader knows, no policy or policy change or recommendations are going to be very effective if company leadership doesn't care, right? Or if this is just like, "Let's put it on the shelf so we can say we've tried to address it," but there's no genuine interest in actively enforcing these policies that you've put in place. So one, I think it's really important to have a genuine interest from the top, right, not just from the human resources department, but from the top leadership of a company in addressing the problem. And then I think you want to make sure you're also communicating transparently with your employees about what you're doing, why you're doing it, and why you think it's important. This is especially important if your company has had a history of sexual harassment or if the culture isn't quite at the point you would like it when it comes to trust and enforcement of your policies. So there's some hard internal looks that I think companies need to take before jumping into this.

PREVOST: 13:30

And then you asked me about sort of just a brief overview of the four main recommendations. And the first one's related to this. One, exploration and also discussion with your employees. And it's benchmarking, which in this context, I'm talking about really looking internally, trying to figure out, "Where are our employees at when it comes to sexual harassment by clients? Are they willing to talk to us about it?" I recommend setting up confidential surveys. It'll depend on the company, right? But setting up some sort of survey or process where you can get real data about what's happening and what your employees are experiencing, you have to do it. You have to conduct that type of survey in a way that garners trust from your employees. And again, being cognizant of historical issues, potentially, at your company can be challenging, right? And then implementing policies that explicitly call out this type of harassment, we can talk more about it shortly, but I think that that's really important to be specific about what we're talking about. Training, I talk about in my research and what I've found from other research is, bystander intervention training is really important to try to effectively address this. And training is required by law. So that's also important to recognize. And then this is all internal-facing. So my fourth recommendation is really outward-facing because, again, we're dealing with a third party. So trying to use our contracts that we have with our clients to address this type of harassment in a way that can, hopefully, prevent it and at the very least provide us pathways to address it if it occurs.

CROFT: 15:17

Going back to the first one, what is it that makes internal benchmarking the key first step in companies that are considering to go down this route?

PREVOST: 15:31

Yeah. I think it's important just to know what's happening in your own company, right? And again, we're not really talking about this type of harassment because employees have lots of reservations and sort of fears surrounding that, "Will this impact my future compensation? I feel ashamed. This isn't happening to my colleagues." There's lots of reasons why people aren't reporting. And the company really needs to understand, "One, can we get to-- can we get data about the prevalence of this issue? Two, can we understand why our employees aren't reporting it or why they don't feel comfortable reporting it?" Because that type of information is going to be able to help feed into effective policies and training and the way you approach your relationships with your clients. But again, the trust, in order to get that type of information from your employees, you really need to establish a level of trust that you may not have, right? And so I do recommend at least considering using third-party facilitators to have these types of conversations and gathering this data for a

company, hopefully, with the hopes that this provides employees a path where they feel confident there won't be repercussions, which is another one of the reasons why employees don't report this type of harassment. And this speaks to the culture too. If you're hearing from your employees that we have fear of repercussions, this is a signal to the company that the culture from the top may need a hard look to address some of those issues.

CROFT: 17:06

And in terms of their second recommendation, which is clear and consistent policies, I mean, you would hope that any policies developed within a company would be clear and consistent. But why is it particularly crucial in this issue regarding harassment by clients?

PREVOST: 17:29

Yeah. I think it's really important to name it specifically. And you're right. And especially because you have to have policies that address things like harassment, most companies do have these policies, but they don't talk about clients directly. And though a lot of employees know harassment isn't allowed and it's not tolerated, when you're in a situation where a client might be harassing a colleague or harassing you, it's not so clear-cut, right? Because this is, "Wait, I'm not dealing with-- I'm not dealing with my supervisor. I'm not dealing with a colleague. This is someone who has a different type of relationship to my company. And I'm not quite sure what my company's view would be with respect to this situation." Because it doesn't fit perfectly into that internal policy, right? So one of the reasons I think it's really important to name it in your policies, to say, "We do not tolerate sexual harassment by any third party, including clients," is really important so that when an employee is in this type of situation, they have confidence. There's no confusion at all that this isn't OK, right? And we're going to talk about bystander intervention, but it's also important for not just the victim of harassment to recognize that it's not OK, but for other people who might be observing this harassment, to recognize, "This is not OK. We know this. It's been named by our company. There is no tolerance for this." And so that can really help with accountability internally on intervention and reporting. It also builds confidence as long as the leadership is following through on it, right? It builds confidence that, "Hey, this is important to our company culture, and they would support me in this type of situation because it's not permitted."

CROFT: 19:26

And within the clear and consistent policy sections, you also raised another interesting point, which is that one of the things you would make clear is that any retaliation in response to a report of sexual harassment by a client would be prohibited. Again, why is it important to call that out specifically? And what are some of the issues involved with the employees that would make this an important thing to spell out?

PREVOST: 20:01

Yeah. I think that one major fear of employees or one major concern when they're debating, "Do I report this? Can this be resolved?" if they've suffered harassment by a client, "Is my supervisor going to retaliate against me and take me off this deal?" People make commissions from these relationships with the clients, right? This can have a direct impact on your future career trajectory and your compensation. So the fear is that if I report this or if I talk about this and ask for help, ask for someone to intervene on my behalf, or if I speak in a way that-- if I tell the client, "Hey, you need to stop behaving like this," will I then be pulled off a deal or have some retaliation? And so I do think it's important to include, to address that directly, as well, that if we're in a situation and you report it, your supervisor needs to know and everyone

else on this transaction, including company leadership, needs to feel confident knowing that, "Hey, if a supervisor retaliates, if a supervisor pulls me off of a project, they will have repercussions for their career, as well," that, "This is not tolerated. This is not how the company would support addressing the issue." So I think it's important because it also, one, can build confidence. Again, as long as it's enforced, can help build confidence and help eliminate some of that fear behind reporting. And it's also a reminder to those supervisors that there are other ways to address these situations than retaliating against the employee who reported it.

CROFT: 21:49

You also mentioned the importance of training and the legal responsibility for training and had mentioned specifically bystander intervention. So what is it that makes bystander intervention a key to preventing harassment in these situations?

PREVOST: 22:09

Yeah. There's been some really interesting research that has explored sort of different types of training, right? And there are questions as to how effective any type of training in sexual harassment is. So I want to acknowledge that, first of all. But we are required, companies are required to provide some training to help prevent sexual harassment and other types of harassment. But there's been some really interesting research that has shown that if you're doing sort of just education training, "Don't be a sexual harasser," type of training, this can actually be less effective because people feel as though they're sort of being attacked, right? "I'm almost being accused of being a potential sexual harasser," and setting up this sort of us versus them type of mentality.

PREVOST: 23:01

Whereas if you take the approach of bystander intervention, "Let's explain what is harassment and how can we intervene," rather than, "Don't be a harasser," this can help reinforce stronger company culture. "We're all in this together, and we're a team," rather than, "You better watch out and be careful of the way you're behaving towards your colleagues." So approaching it from this more team approach, "If you are observing these types of behaviors or if there's something that's making you uncomfortable, there are paths we can take or you can take to address this." And it's not always necessarily causing an immediate scene in real-time, right? Bystander intervention can take many, many different forms. And I think it's important to talk about that. And I also think when we're training using bystander intervention and reinforcing those policies that, "Hey, this is an issue that affects all of us, and we all have a responsibility to stop it," it also increases accountability. So I think it's really important. And I think that research on different types of training was especially helpful.

CROFT: 24:16

The fourth recommendation has to do with clear and specific contract provisions. And you had talked about those being the importance of doing things that are outward-facing as well as internally within the company. So what should those provisions spell out in the relationship between the companies and the clients that they take on?

PREVOST: 24:40

And this is sort of an important aspect of this and because it's the outward-facing, right? This is really the only interaction, formal interaction, the company will have with the client from a documentation perspective, right? The clients aren't going to look at the company's policies typically. They're not going to be a part of these trainings. But if we're open and upfront, making it very explicitly clear that harassment is not tolerated and that the employer is prioritizing the health and safety of their employees and they expect clients to do the same, it's going to help-- my argument is that it's going to help increase accountability. First of all, any client is

going to be aware that, "OK. We're dealing with a company. This is not a permissive culture for sexual harassment, even though I may be in this position of power." And there's some research that shows that people who tend to harass tend to harass more when they perceive that they are in a position of power. So these types of contract provisions, the thought is that this will help to reduce the propensity towards harassment, even though they're in a position of power, because they recognize that there's going to be accountability there, right? "We are calling this out. This is a part of our culture, and we expect you to comply with this culture."

PREVOST: 26:07

And doing it in a way that's more explicit. We're seeing in contracts more and more, "You agree to comply with our code of ethics." And then maybe there's like a link to a code of ethics. Most companies at this point have a code of ethics that typically all look generally the same. I really think it's important to call this type of harassment out explicitly to make sure that we're not just brushing by it. And I do think that that demonstrates to the client company how much of a priority and how important it is to the employer. And then I think it also needs to include, "Hey, what's going to happen? If we get a report, here are the steps we're going to take, and here are the steps your company should take if there's harassment going the other way." This should not be a one-sided provision, right? Both companies need to have a statement that it's not tolerated and then a path forward, steps that need to be taken if there is a report of harassment, and an agreement on the expectation of what the consequences could look like. That's a little harder because then you're getting into sort of some internal policies, and they may be different as to how you handle complaints, but at least addressing it with respect to the contract itself. And that can take a lot of different forms, of course, depending on the business relationship, the structure of the underlying transaction, or if it's how compensation is structured. It, obviously, can take lots of different forms. But I think the basics are explicitly naming it, being very clear it's not tolerated, and making it clear that there's steps that will be taken that both parties agree to if there's a report of harassment.

CROFT: 27:52

We've discussed the four recommendations and the issue, but I would like to give you an opportunity, as we wrap up here, if there's anything we haven't talked about that you think our listeners should know about sexual harassment by clients in these professional settings.

PREVOST: 28:10

Yeah. I'm not sure. One thing I think is just important is that we talk about it. I've been in different industries for a long time, and sometimes there's sort of quiet conversations about this, the types of conversations like, "Avoid this person at a client event," right, or things like that. I think it's better just to start having open conversations about this so that if it's happening, we feel less discomfort with raising the issue. And then I am trying to expand on this and get more recent data. So one thing I would say is if this is a topic that interests you, I'd love to hear from anyone. And I do have a survey out there that's trying to explore occurrences of this type of sexual harassment by clients. So definitely reach out if anyone's interested in participating that or sharing that to a wider audience. I think it's really important. The more information we have, the more we can do with it and the more we can come up with-- develop ways to address it and sort of help alleviate these issues in the workplace.

CROFT: 29:19

Stephanie, thanks again for coming on to the iLLUminate podcast and illuminating an issue that probably most people have not given a lot of thought to before.

PREVOST: 29:28

Yeah. Thank you so much for having me. I really appreciate it, Jack.

CROFT: 29:32

Now, along with teaching at Lehigh, Stephanie provides legal and compliance consulting services to corporate clients as well. This podcast is brought to you by iLUminate, the Lehigh Business blog. To hear more podcasts featuring Lehigh Business thought leaders or to follow us on social media, please visit us at business.lehigh.edu/news. This is Jack Croft, [music] host of the iLUminate podcast. Thanks for listening.