



Finance Speaker Series

Alberta School of Business
Department of Finance

Presents:

Isaac Hacamo

Indiana University

Topic:

Workplace Racial Harassment and Firm Performance

Friday, November 5, 2021

1:30pm – 3:00pm

Zoom details located in the calendar invite.

If you are not a member of the Finance department and would like to attend, please contact Beth Boison

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for the Zoom meeting details.

ABSTRACT

Introducing data from 7 million employer reviews on the universe of all US firms with a store front, I identify over 11,000 instances of racial harassment, and examine whether job seeker's aware-ness of these episodes affects firm performance. I exploit exogenous variation in attention by com-paring the effect of reviews that barely stayed in the first page of the firm's online profile with those that were marginally pushed to the second page due to other reviews published by other users on the same date. The results show that awareness of one instance of racial harassment causes a reduction of 4 to 5 percentage points in the number of monthly visitors per establishment. Additional results from a randomized survey experiment show that effects through labor supply channel

are small and insignificant, but effects through network channel are large and significant. Firms experience a drop in demand from consumers who learn about these episodes from job seekers. These findings show the importance of online job platforms in propagating information regarding harassment, and suggest that firms have large gains by eradicating racial harassment from the workplace.