

What are the Hidden Discriminations in Enterprises?

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Abstract. With the rapid development of modern enterprises, the reputation of the enterprise and the relationship within the employees are becoming more and more important. The hidden discrimination in enterprises is constantly damaging these things that are crucial to the company, and discrimination is gradually appearing in people's vision. Based on the incident in 2018 when Nike was accused of sexual harassment and gender discrimination against female employees, a case analysis method was used to analyze the three discriminatory behaviors and their impacts at Nike at this stage and provide solutions. The article found that discriminatory behavior has more or less caused a certain degree of negative impact in enterprises, which is not conducive to the harmonious development within employees, nor is it conducive to the maintenance of corporate reputation and the stability of income. This article provides respective suggestions and solutions such as what the boss or the government need to do for the three common discriminatory behaviors in enterprises.

1 Introduction

Discrimination as a social phenomenon has existed for thousands of years. Most countries in the world have laws and policies prohibiting discrimination. Article 26 of the International Covenant on Civil and Political Rights also declares that the law should prohibit any form of discrimination [1]. However, various discriminatory behaviors are still active in enterprises and society. These discriminations will have a huge negative impact on the company and will also bring considerable public pressure in society. There is endless news about discrimination incidents in various countries. Even if you put aside the discrimination cases reported in the news, there will be hidden discrimination around everyone or in the workplace. Therefore, how to reduce and eliminate the harm caused by these discriminations from different aspects has become an important task. At the same time, it is also necessary for the long-term sustainable development of the company, the maintenance of reputation, harmonious relationships among colleagues and stable income in other countries.

In *Subtle discrimination in the workplace: A vicious cycle.*, the authors advocate the establishment of a multidimensional, continuous, rather than absolute discrimination framework and use examples of discrimination to describe subtle discrimination in enterprises, that is, those that may exist but are not superficial [2]. Substantial empirical evidence shows that subtle discrimination can harm employees and organizational functioning even more than its overt counterpart. The article writes that everyone participates in subtle discrimination to some extent in business, so everyone has a responsibility to avoid it. What can employees and bosses in businesses do to reduce the

harm caused by subtle and overt discrimination? In addition to discrimination among employees, what other discriminatory behaviors exist in companies? The discussion of these issues has very profound significance for the sustainable development of enterprises and the reduction of discriminatory behaviors.

This article is based on academic literature on discrimination analysis and examples of Nike's discrimination against women in 2018. It attempts to describe common discrimination in companies and suggestions for reducing the negative impacts of these discriminations. This study will use case analysis method to deeply explore the discriminatory behavior displayed by Nike through a case of Nike lawsuit. First, the Nike lawsuit is stated in detail and based on the summary analysis of the case. Secondly, identify two main discriminatory behaviors in this case and expand on another discriminatory behavior. Finally, solutions and suggestions are given one by one corresponding to the three types of discrimination.

2 Incident of Nike

Large corporations and Fortune 500 companies are some of the biggest culprits in terms of fostering, ignoring and even encouraging a workplace culture of sexual harassment, abuse, and discrimination. According to a report by Good Jobs, nearly all (99%) Fortune 500 companies have paid a settlement for at least one sexual harassment or discrimination claim since 2000 [3]. One of the more famous cases is a lawsuit filed by Nike alleging a culture of sex discrimination, bullying and fear of retaliation at the company.

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2.1 Details of the incident

Nike, the global leader in sportswear, has not been immune to such scrutiny. Allegations and reports have surfaced, highlighting issues within the company related to gender discrimination and sexual harassment. These revelations have prompted introspection and debate about corporate culture and the mechanisms in place to protect and empower employees. In the more than 5,000 pages of records filed by female employees of Nike against Nike in 2018, Nike's long-term bad behavior of gender discrimination and sexual harassment against female employees was recorded in detail. The documents also document concerns among female employees about inaction by Nike management and fear of retaliation from Nike. Most of the people who committed these behaviors were Nike's top managers. They covered each other and turned a blind eye. This is why gender discrimination and sexual harassment incidents have not been resolved at Nike. In a Business Insider investigation, several employees described some executives as known playboys who wield unruly power and influence at lower levels. One female employee even pointed out that she witnessed a male executive sexually harassing lower-level female employees in the company. These practical examples of what happened at Nike can all be summed up in the words of a male manager quoted by one interviewee: "No one cares about female empowerment." The long-term existence of gender discrimination in Nike is due to the excessive power in the hands of Nike's male executives and managers. They have found a way to be happy and not sanctioned at the same time when discrimination and harassment occurs, and that is to shield each other. In modern enterprises, management can use their high profession and power to exploit lower-level employees without being known to the rest of the company. Nike's response to this incident is the so-called "Starfish Investigation."

2.2 What Nike did to solve the problem

Under pressure from outside public opinion and internal employees, CEO Mark Parker (who later became Nike's executive chairman) pushed the company to work to reform Nike's so-called "boys' club" culture. However, the surveys themselves remained out of sight until they were unsealed after a legal challenge by Insider, the Oregonian, and the Portland Business Journal for a protective order to be lifted on a lawsuit that seeks to expand the number of plaintiffs from 14 to a class-action case involving roughly 5,000 [4]. In the investigation, one female employee described Nike as "a giant men's sports team where favoritism is rife and it's impossible for women to compete in the sandbox." After the investigation began, other female employees began to wonder whether Nike's human resources department would act on their concerns. Many people think this company's employee resources and human resources are a joke. After the results of the investigation came out, Parker announced a management reshuffle and apologized to employees. The company has since made

progress on pay equity and gender equality in executive positions. Nike announced it would raise wages for 7,000 employees. At the same time, the proportion of women among the company's vice presidents will increase to 43% in 2022, which is higher than 36% in 2018 when the scandal broke out [4]. Nike has indeed made reforms in problem-solving. The status and weight of women in the company have been increased, and men in company management who have committed sex discrimination and sexual harassment have also been sanctioned. However, Nike conducted such a large-scale investigation due to the pressure of public opinion and litigation. Without the more than 5,000 pages of litigation records, Nike might not have made changes to this day and allowed the truth and harassment to continue to spread among employees. occur. Incidents like this often occur in Fortune 500 companies, but the voices of employees who have been discriminated against and harassed are rarely heard.

Discriminatory behavior thrives covertly in major companies, and Nike is a good example. Before the scandal came to light, not many people knew about these things except maybe some female employees in the company and the abusive male executives. Without female employees speaking up for themselves and others, the world would never know about the dark, bad behavior hidden within Nike. It is essential to recognize that these issues are not unique to any single entity but are reflective of broader societal challenges. The discussion around Nike serves as a microcosm of the systemic problems that pervade many organizations worldwide. It underscores the need for ongoing efforts to dismantle structures that perpetuate discrimination and harassment. The response to such allegations is as critical as the allegations themselves. It provides insights into a company's values and its commitment to its workforce. For organizations like Nike, addressing these concerns head-on, implementing comprehensive policies, and fostering a culture of respect and equality are steps in the right direction. Transparent investigations, accountability measures, and support systems for affected individuals are essential components of an effective response. Furthermore, these incidents highlight the importance of empowering employees to speak out against injustice. Creating channels for reporting misconduct without fear of retaliation is crucial. It not only aids in addressing specific incidents but also contributes to a culture of openness and accountability. The discourse surrounding gender discrimination and sexual harassment in the workplace is evolving. It is prompting companies to reevaluate their practices, policies, and cultures. For a brand as influential as Nike, the journey towards improvement and accountability can set a precedent for others to follow. It can also serve as a reminder of the work that remains to be done in achieving true equality and respect for all individuals in the workplace. Reflecting on these issues encourages a broader discussion about corporate responsibility, ethical leadership, and the role of businesses in advocating for social change. It is a reminder that companies have the power to influence societal norms and values, making it

imperative that they lead by example in the fight against discrimination and harassment.

3 Nike's discriminations and their harm

In the Nike discrimination incident, there are two main types of discriminatory behaviors that Nike exhibits. Also, there's another discrimination that Nike has.

3.1 Gender discrimination

The main discriminatory behavior of the company is gender discrimination. Nike managers and management, which are mostly male, verbally and physically harass female employees at the lower levels, are a clear indication of the discrimination that these male executives inflict on female employees. Some companies have been unconsciously underestimating the productivity of female employees and therefore lowering the wages of female employees. This has also caused some female employees to change jobs and choose to stay in the company, and female employees who choose to stay in the company are discriminated against and despised by male employees. It seems that their low wages mean that they are not as good as those of the male employees [5]. If a company like Nike condones sexism and harassment all the time, it can have a significant impact on the company's reputation and productivity. Gender discrimination decreases satisfaction & motivation and commitment & enthusiasm level of employees, and increases the stress level in the employees [6]. Employees are less satisfied with the company's internal management and operations, and they are more likely to leave the company with sexist behavior. Female employees who are harassed will use legal means to protect their rights and interests, and the company's reputation will be damaged, and it will also take a lot of energy to compensate these female employees and rectify the company's internal system. The departure of some employees and the protests against the company will deal a major blow to the company's employment, and the company will have to raise salaries and pay to retain employees, and with it, the company's total revenue will be greatly reduced. Overall, gender discrimination in companies can be a huge blow to companies, and if they are not taken to tolerate these behaviors, the damage will only be exacerbated.

3.2 Discrimination between superiors and subordinates

Secondly, in the case of Nike, it was known from internal employee interviews that male executives knew about each other's harassment and discrimination, but they chose to cover up with each other and condone the harm of female employees. This is not only a problem within the management of the men's department, but also the discrimination and indifference of these male

managers and executives to the lower employees. They hold almost the highest power in the company, which leads to the negative effects of the Social Domination Orientation (SDO) in the company [7]. This is an individual difference variable that supports "the domination of the 'superior' group over the 'inferior' group" [8]. In Nike's case, the male managers presented themselves as the 'superior' group and the female employees were the 'inferior' group, believing that they were free to 'dominate' and harass the female employees. As a 'superior' group, they naturally do not have to think about the consequences of being punished, because they are the executives who manage the punishment. If this kind of discrimination continues, there will be a huge crisis of trust within the company. The upper employees control the lower employees arbitrarily, and at the same time, the lower employees will inevitably be dissatisfied with the privileges of the upper employees, and probably will work negatively and distrust the company's management system. The effectiveness of the company's employees will inevitably suffer, and the upper echelons will focus on managing and controlling the lower employees instead of their work. Also, the management mechanism within the company that is composed and maintained by these executives will also be flawed. What's more, the employees who are hurt and controlled at the lower level will have psychological impairment, which is not conducive to their efficient work, and the company's production efficiency can also be greatly reduced.

3.3 Regional discrimination

Besides the discriminations above, there's another discrimination behavior that Nike has, which is regional discrimination. Early one morning in March 2021, internationally renowned clothing brands such as including Nike issued a statement stating that they refused to use Xinjiang cotton. This triggered indignation and boycott by the Chinese people, who stated to stop buying their products [9]. This incident continued to ferment in China. As of today, the sales of these brands in China have dropped significantly or even gone bankrupt. The groundless accusations made by these brands against China's Xinjiang cotton highlight the company's strong regional discrimination. The impact of such discrimination on the company has been shown in the huge losses of Nike and other brands in China. Regional discrimination will only make consumers in the discriminated region start to resist the company or brand, so the company's profits will be significantly reduced as a result. Taking the German sports brand Adidas as an example, in 2022 after the Xinjiang cotton incident, sales in Greater China fell by 36% on a neutral exchange rate basis. In euro terms, sales in Greater China fell 31% to €3.179 billion from €4.597 billion in 2021 [10].

4 Suggestions for eliminating these discriminations

4.1 Suggestions for eliminating gender discrimination

First of all, the most common type of discrimination in companies is gender discrimination. This kind of discrimination has always been hidden, whether in enterprises or in society. One of the ways people try to address gender discrimination in society is to directly petition governments and legal authorities through various protests and lawsuits. Sexism, especially against women, has been existing for thousands of years. Ancient Jews prayed every morning and said thank God for not making them women [11]. Another example is the long-standing concept in society that women should be housewives at home, while men are the ones who go out to earn money. Research shows that women consistently earn less on average than men, and that explicitly focusing policy on the labor market, and the labor market alone, could go a long way toward mitigating discrimination, in some cases, affirmative action policies that target only a small group of employers can influence the actions of non-target groups and end discrimination. In contrast, policies that directly target gender differences, such as childcare subsidies that reduce women's employment costs, are significantly less effective in moving the economy out of discriminatory equilibrium. However, such policies contribute to the sustainability of non-discriminatory outcomes. Research also shows that in some cases, no one policy alone can eliminate discrimination, but a combination of policies can eliminate discrimination [12]. Therefore, the government should pay attention to women who are subject to gender discrimination in the labor market and improve the current situation of gender discrimination through the formulation of policies that indirectly target differences. More importantly, society should also pay attention to women who have been harmed and discriminated against in enterprises and provide them with care and subsidies as much as possible. After switching to a previous company, it is best to provide them with new employment options and humanistic care. Of course, people should also abandon the concept of sexism and eliminate discrimination against others at the root.

4.2 Suggestions for eliminating the discrimination between superiors and subordinates

Secondly, the way to deal with superior-subordinate discrimination in enterprises and regional discrimination in other regions will be much simpler. Senior managers who wield great power inevitably feel a sense of superiority because their status in the company is much higher than that of ordinary employees. And such a sense of superiority and pride will give them the desire to control their subordinates and manipulate them at will [13]. The way to eliminate such discrimination and

conflicts is also very simple, which is to develop good relationships among employees in the enterprise. The boss can organize more team-building activities that are conducive to harmonious employee relations, or he can reduce the power given to senior executives. However, such discrimination cannot be eliminated by external pressure alone, but also depends more on the inner thoughts of these high-level employees. If an executive insists on having an extremely high desire to control his subordinates, reducing more power will not help. Therefore, companies should pay attention to the psychological ethics of job seekers when recruiting employees, and pay more attention to their working status and attitude towards subordinates in future work.

4.3 Suggestions for eliminating regional discrimination

Finally, the reason why regional discrimination exists is mostly due to the disrespect and contempt for local races that are engraved in the bones of those entrepreneurs. The suggestion given by this article is that companies should put aside their prejudices against other countries' products or races, and be more accepting of other countries' affairs. Moreover, it would be better for the government to pass policies and bills on optimizing trade with other countries and reduce regional discrimination in legal provisions.

5 Conclusion

This study found that although there are clear legal provisions that stipulate that discrimination is illegal, there are still various kinds of discrimination in major enterprises, which hinder the normal development of enterprises. At the same time, the article also gives corresponding solutions and suggestions for the three types of discrimination mentioned. Just at Nike, there is gender discrimination, discrimination between superiors and subordinates, and regional discrimination. First of all, regarding gender discrimination, companies should put aside their prejudice against the female workforce and give appropriate special care and protection to female employees. At the same time, it is best for companies to severely punish male employees who discriminate against or harass women and warn other male employees about the consequences of gender discrimination. Secondly, enterprises should strengthen the management between superiors and subordinates within the enterprise and appropriately reduce the power of senior executives, thereby reducing the discrimination and control of superior employees on subordinates and avoiding excessive control by superiors on subordinates. Ultimately, it is the duty of the entire world to avoid geographical discrimination. The best way for an enterprise to reduce regional discrimination is to replace employees who exhibit regional discrimination.

This study analyzes the negative impact of different discriminatory behaviors in enterprises. This will help companies learn lessons from these negative impacts and eliminate discriminatory behavior and the harm it causes

from the root causes. At the same time, companies can also find discrimination hidden in the company.

Finally, this study did not pay attention to more discriminatory behaviors in enterprises of different natures. As discussed in this study, taking the case of Nike, there are three types of discrimination in this business. Discriminatory behavior in other companies, such as government-invested companies and small businesses, is likely to be of different types and impacts. In the future, more different types of discriminatory behaviors and their impacts can be analyzed for companies different from Nike, and suggestions for eliminating these discriminations can be given to facilitate in-depth research on this issue.

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