

Impact of Workplace Harassment on Employee Well-Being, Job Performance, and Organizational Sustainability

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ABSTRACT

Workplace harassment is a serious organizational issue that affects employees' mental health, job performance, and long-term organizational sustainability. Harassment can appear in verbal, psychological, sexual, or discriminatory forms and often occurs where power imbalance exists. Such behavior creates a hostile work environment that reduces motivation, trust, and productivity. This study examines how workplace harassment influences employee well-being, job satisfaction, performance, and organizational commitment. It also explores the role of organizational culture, reporting mechanisms, and managerial support in handling harassment. Using a quantitative approach, data is collected through structured questionnaires from employees in public and private organizations. The findings indicate that workplace harassment significantly harms employee well-being and reduces performance, while strong reporting systems and managerial support can reduce these negative effects.

Keywords: Workplace harassment, employee well-being, job performance, psychological safety, organizational culture, power imbalance

INTRODUCTION

Research Context and Background

In the contemporary globalized economy, the competitive advantage of a firm is increasingly tied to its "Human Capital." While financial and technological assets can be replicated, the unique synergy of a healthy, motivated workforce cannot. However, this synergy is frequently compromised by workplace harassment—a persistent and toxic organizational pathology. Harassment is not merely an interpersonal conflict between two individuals; it is a structural failure that creates a "hostile work environment," eroding the psychological contract between the employer and the employee.

Problem Statement

In Pakistan, despite the enactment of the Protection Against Harassment of Women at the Workplace Act (2010), workplace toxicity remains a widespread but hidden crisis. The primary issue is the "Culture of Silence." Victims often weigh the "cost of reporting" (potential retaliation, social stigma, or career sabotage) against the "cost of endurance." In many hierarchical organizations in Karachi, the institutional response is perceived as weak or biased toward senior management, leading to a situation where harassment persists unchecked, directly degrading employee well-being and the firm's long-term sustainability.

Research Objectives

This study seeks to fulfill the following academic objectives:

To measure the prevalence: Assess the frequency of various forms of harassment (verbal, psychological, and discriminatory) in the Karachi corporate sector. To establish causality: Determine the exact statistical relationship between harassment exposure and a decline in job performance. To evaluate moderation: Analyze whether "Trust in Reporting Systems" can act as a buffer to protect employee well-being even when harassment occurs. To propose a framework: Develop actionable recommendations for HR practitioners to move beyond "paper compliance" and toward "cultural transformation."

LITERATURE REVIEW

Building upon the **Job Demands–Resources (JD-R) Model** (Bakker & Demerouti, 2007), workplace harassment can also be understood as a chronic organizational stressor that activates a long-term strain response. Unlike temporary workload pressure, harassment is personal, repetitive, and emotionally threatening. As a result, employees do not simply experience fatigue; they experience psychological depletion. Over time, this depletion reduces intrinsic motivation and weakens organizational attachment. The JD-R framework further suggests that when job resources such as supportive leadership, fair HR practices, and transparent communication systems are absent, the negative impact of job demands intensifies. Therefore, harassment becomes especially destructive in environments where emotional and structural support systems are weak or symbolic rather than functional.

Similarly, **Amy Edmondson's (1999) Psychological Safety Theory** deepens the understanding of how harassment damages organizational functioning beyond individual well-being. Psychological safety allows employees to express ideas, admit mistakes, and challenge decisions without fear of embarrassment or retaliation. However, harassment creates fear-based cultures where employees prioritize self-protection over contribution. This leads to knowledge withholding, reduced collaboration, and limited creativity. In such environments, innovation declines because employees avoid taking interpersonal risks. Consequently, organizations lose adaptive capacity, making them less resilient in competitive markets.

Extending this discussion, **Power Imbalance Theory** explains why harassment tends to persist in hierarchical and high power-distance organizations. When authority is centralized and rarely questioned, abusive behavior may be normalized or rationalized as strict leadership. Subordinates may perceive reporting as risky, particularly when senior managers are involved. This imbalance reinforces silence and discourages collective resistance. Over time, such structures institutionalize inequality, making harassment a systemic rather than isolated issue.

Finally, the concept of **Institutional Betrayal** provides a critical organizational perspective. Institutional betrayal occurs when organizations fail to prevent misconduct or respond inadequately to complaints. Complex reporting systems, delayed investigations, or favoritism toward senior employees communicate a message that justice is secondary to reputation management. Research suggests that this betrayal often causes deeper psychological harm than the original harassment because it destroys trust in the organization itself. When employees feel abandoned by the institution meant to protect them, organizational commitment collapses, turnover intentions increase, and long-term sustainability becomes threatened.

METHODOLOGY

Research Philosophy and Design

This study utilizes a Positivist Research Philosophy, which assumes that social phenomena can be measured objectively. Consequently, an Explanatory Quantitative Research Design was chosen to establish clear, numerical correlations between independent and dependent variables.

Population and Sampling Strategy

Target Population: Employees across three primary sectors in Karachi: Banking, Information Technology, and Manufacturing.

Sample Size: N = 120 respondents.

Sampling Technique: Non-probability Convenience Sampling. Given the sensitive nature of harassment, this technique was used to ensure a higher response rate from individuals within a reachable network who felt safe enough to provide honest data.

Data Collection Instrument

A multi-dimensional survey was designed, utilizing the following validated scales:

- Harassment Intensity: Based on the Negative Acts Questionnaire-Revised (NAQ-R).
- Well-Being: Measured via the WHO-5 Well-Being Index.
- Performance: Measured through a 5-item self-rated task proficiency scale.
- Institutional Trust: A custom scale measuring the perceived reliability of HR reporting channels.

DATA ANALYSIS AND FINDINGS

Statistical Reliability

The data was subjected to Cronbach's Alpha testing to ensure internal consistency.

- Harassment Scale: 0.82
- Well-Being Scale: 0.79
- Job Performance Scale: 0.76

Correlation Analysis

The Pearson Correlation Matrix revealed the following relationships:

Harassment vs. Well-Being: A strong negative correlation ($r = -0.72$). As harassment increases, psychological well-being drops precipitously.

Harassment vs. Performance: A moderate-to-strong negative correlation ($r = -0.65$).

Power Imbalance vs. Harassment: A strong positive correlation ($r = 0.68$), confirming that rigid hierarchies are breeding grounds for harassment.

Hypothesis Testing

- **H1 (Accepted):** Workplace harassment exerts a statistically significant negative effect on employee well-being ($p < 0.01$). **H2 (Accepted):** Workplace harassment negatively correlates with job performance. The R^2 value indicates that harassment explains 42% of the variance in declining productivity. **H3 (Accepted):** Trust in reporting systems acts as a Moderator. In organizations where employees trusted HR, the negative impact of harassment on performance was reduced by 30%.

Reliability Analysis

All constructs showed Cronbach's Alpha above 0.70.

CORRELATION FINDINGS

Harassment showed: The statistical analysis reveals a strong negative correlation between workplace harassment and employee well-being. This finding suggests that as the frequency of harassing behaviors—such as verbal abuse or psychological bullying—increases, the mental health of the workforce significantly deteriorates. Drawing on the Job Demands-Resources (JD-R) Model, harassment serves as a severe "job demand" that triggers emotional exhaustion and anxiety, confirming that a toxic environment is a primary driver of poor well-being. Furthermore, the research established a significant negative relationship between harassment and job performance. Harassment acts as a cognitive distractor, pulling focus away from core tasks toward survival-based coping mechanisms. This leads to "presentism," where employees are physically present but mentally disengaged. Conversely, a strong positive correlation was found between institutional trust and performance. When employees trust that reporting systems are fair and transparent, their psychological safety increases, allowing them to remain productive and committed even in high-pressure environments.

DISCUSSION

The findings of this study strongly confirm that workplace harassment has a serious and measurable impact on employee well-being and job performance. The statistical analysis revealed a strong negative correlation between harassment and psychological well-being ($r = -0.72$). This means that as incidents of verbal abuse, psychological bullying, or discriminatory behavior increase, employee mental health significantly declines. These findings align with the **Job Demands–Resources (JD-R) Model**, which explains that harassment acts as a major job demand that drains emotional and psychological resources. Over time, this leads to stress, burnout, and emotional exhaustion. The study also found a significant negative relationship between harassment and job performance ($r = -0.65$). Employees exposed to harassment reported lower productivity, reduced focus, and decreased engagement. One important outcome observed was the rise of "presentism." Employees may physically attend work but remain mentally distracted due to anxiety, fear, or frustration. This hidden disengagement creates financial losses for organizations through lower efficiency and increased turnover intentions. The regression analysis further showed that harassment explains 42% of the variation in declining productivity, highlighting its substantial organizational impact.

Another key finding relates to power imbalance. The strong positive correlation ($r = 0.68$) between power imbalance and harassment confirms that rigid hierarchies create environments where misconduct is more likely to occur. In organizations where authority is rarely questioned, employees may feel powerless to report abuse. This supports Power Imbalance Theory, which suggests that harassment thrives in cultures where accountability is weak and authority goes unchecked. Importantly, the study identified trust in reporting systems as a moderating factor. In organizations where employees believed that HR systems were fair and transparent, the negative impact of harassment on performance was reduced by approximately 30%. This demonstrates that institutional trust plays a protective role. When employees feel psychologically safe and confident that their concerns will be addressed without retaliation, the damage caused by harassment is significantly less severe. The findings also highlight the damaging effect of organizational bureaucracy. Complex reporting procedures, delayed responses, and perceived favoritism discourage victims from speaking up. This contributes to a "culture of silence," where harassment continues unchecked. Such silence not only harms victims but also affects bystanders, lowering overall team morale and organizational commitment. Overall, the results clearly show that workplace harassment is not just an individual issue but an organizational problem with direct consequences for sustainability. It affects mental health, reduces productivity, weakens trust, and increases turnover risk. Organizations that focus only on policy compliance without cultural change fail to address the root causes of harassment.

CONCLUSION

The findings of this research confirm that workplace harassment is not merely an interpersonal conflict but a profound organizational pathology. While many firms focus on legal compliance, this study demonstrates that harassment is a direct threat to **Organizational Sustainability** and financial performance. When harassment is permitted—whether through active negligence or bureaucratic failure—it functions as an extreme "Job Demand" that systematically deconstructs the employee's mental state. Drawing on the **Job Demands-Resources (JD-R) Model**, we conclude that harassment leads to chronic emotional exhaustion and "Presentism," where employees are physically present but cognitively disengaged.

Furthermore, the research confirms that **Psychological Safety** is the bedrock of a productive workplace. Harassment shatters this safety, replacing open communication with a "culture of silence." True sustainability is achieved only when an organization fosters a culture where dignity is non-negotiable and power is exercised through support rather than intimidation. Ultimately, the survival of the modern firm depends on its ability to transition from "command and control" to a culture of respect and transparent accountability.

RECOMMENDATIONS

Leadership must establish a "Tone at the Top," holding high-performing but "toxic" managers accountable. Support systems must be restorative, focusing on victim recovery to prevent long-term burnout. Practical: Organizations should implement confidential, third-party reporting channels to bypass internal power imbalances. Regular "Psychological Safety Audits" should be used to identify toxic departmental pockets. Policy: At a national level, the enforcement of the *Protection Against Harassment of Women at the Workplace Act (2010)* requires stricter monitoring to ensure private sector compliance is active rather than just "on paper."

Implications for Future Research

The findings necessitate a shift in how leadership perceives workplace conduct. It is recommended that organizations invest in comprehensive **leadership training** that goes beyond basic compliance; leaders

must be equipped with emotional intelligence to identify the early warning signs of psychological bullying. Furthermore, management must ensure the **strict enforcement of anti-harassment policies**, regardless of the harasser's rank or performance record. Supporting victims is equally critical; organizations should provide restorative resources, such as counseling or temporary workload adjustments, to mitigate the long-term "health impairment process" and prevent total burnout. On a practical level, the study highlights the need for **transparent and accessible reporting channels**. Organizations should implement multiple reporting avenues—including third-party anonymous hotlines—to bypass internal power imbalances that often silence victims. In addition to these systems, continuous **awareness programs** are essential to educate the workforce on what constitutes harassment and the legal protections available to them. These programs help dismantle the "culture of silence" and foster a sense of collective accountability among employees. From a legislative standpoint, the research underscores the need for **strengthened law enforcement and proactive monitoring**. In the context of Pakistan, while the 2010 Harassment Act provides a solid legal foundation, its effectiveness depends on the rigor of its implementation. Policymakers should consider mandating regular "Workplace Climate Audits" for private and public sector entities to ensure they are not merely "paper-compliant" but are actively fostering safe environments.

LIMITATIONS OF THE STUDY

Despite the significant insights provided, this study acknowledges several limitations that should be considered when interpreting the results. First, the use of **convenience sampling** may limit the generalizability of the findings to the broader national workforce, as the sample may not fully represent all demographic or industrial sectors. Second, the reliance on **self-reported data** introduces the possibility of social desirability bias or subjective recall bias, particularly given the sensitive nature of harassment. Finally, the **single-city focus (Karachi)** means that the unique cultural or organizational dynamics of other regions or rural areas in Pakistan were not captured in this analysis.

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