

Sterling Jewelers Suit Casts Light on Wider Policies Hurting Women

By Stacey Ward, J.D. Candidate 2019 | March 13, 2017

On February 26, statements from over 69,000 former female employees of [Sterling Jewelers](#) were released as part of an ongoing [class action suit](#). The class action against Sterling Jewelers, the parent company of jewelers such as Kay Jewelers, Jared, and others, involves pay discrimination against women. In their statements, the women seeking collective action against Sterling Jewelers detail their encounters with various types of harassment while at the company, ranging from pay discrimination to lewd behavior by male bosses, and including disparate treatment when they've tried to report inappropriate behavior.

One of the resources available to Sterling employees is a hotline, known to employees as the TIPS line, where they are supposedly able to report issues anonymously. However, Nancy Erika Smith, who represented Gretchen Carlson when she sued Roger Ailes of Fox News for sexual harassment, commented that she has “no recollection of any client having a good outcome from a hotline.” Statements from women who are a part of the lawsuit show that efforts to report inappropriate behavior typically result in no change in the reported person’s behavior. Instead, those who report issues find themselves fired by their respective company.

[Mandatory arbitration](#) is an advantageous tool for companies like Sterling to address issues within the company. Specifically, Sterling is able to circumvent long jury trials by compelling employees to agree to a “three-step internal dispute system” called “Resolve.” While the goal of “Resolve” is to come to a quicker solution to problems involving personnel within the company, mandatory arbitration also conveniently allows companies to cover up sensitive issues and avoid negative publicity that could hurt the company financially.

Another policy brought to light by affidavits from the class action is their “tap on the shoulder policy” that controls promotions throughout the company. Instead of posting jobs publicly on job boards, to which all employees have access and can apply, managers “tap on the shoulder” employees they like for promotions. This controversial policy has been rejected by other companies who recognize this practice significantly decreases company-wide diversity and reflects blatant nepotism.