



Gender Balance's review of forms, prevalence and organizational capability to respond to discrimination, bullying and victimization at Paradox Interactive

In October 2021, following concerns raised by our employees, we enlisted [Gender Balance](#), a Swedish firm specializing on issues of discrimination, harassment, and equality to conduct an audit of our organization. They were recommended by our unions' representatives, their work is strongly backed by academic research, and they had previous experience with gaming companies, which made them a perfect fit for us.

Their role has been to act as a neutral third party, with the authority to conduct a thorough investigation in order to help us assess issues present in our workplace, and recommend solutions. Additionally, they were given the ability to handle the reports and investigation of harassment and discrimination cases, on behalf of the company, in accordance with Swedish laws and regulations.

We believe that complete transparency is the best way to move forward and address the issues and behaviors that have been identified. On February 7th 2022, Gender Balance delivered the final report and recommendations from their audit; it was shared with all Paradox employees shortly after, and we're now publishing it. You can find it [here](#), full and unedited.

The main conclusions are that even though relatively few severe cases were found, we do have clear problems with behaviors like suppression techniques and nasty jargon, and that it mainly impacts women in our workforce. It also shows that we did not equip our managers sufficiently with the tools needed to identify and act against this, leading to employees not feeling safe reporting on issues. This is something for which we take full responsibility, and are committed to fix.

You can find towards the end of the report all the recommendations from Gender Balance, all of which we plan to implement thoroughly. Here are some highlights of the actions we've set in motion already, based on their recommendations for 2022:

- Review and update of our harassment and victimization policies, and case management processes.



- Increase training for all employees, and conduct dedicated training for both management and human resources.
- Reinforce managers' support structure to handle potential harassment cases.
- Take regular measurements of the prevalence and forms of misconduct through organization surveys (next iteration planned in Fall 2022).
- Gender Balance will remain an additional case management support while we rebuild trust in our internal processes.
- Update our guidelines for both internal & external events, specifically around alcohol availability and consumption.
- Follow-up and evaluation on our action plan with an anti-discrimination council internally, constituted of members of human resources, management, safety officers, and union representatives.

This report is an important step in making Paradox a workplace where everyone feels safe and can enjoy their work, and we are deeply grateful to everyone who has stepped forward in the process of this audit.

*Mattias Lilja,
Chief of Staff*

As representatives for Unionen and the SACO unions at Paradox, we are very satisfied with the work conducted by Gender Balance. Having recommended them to the company for this audit, we had high trust in their ability from the very start. This has only been reinforced by the quality and thoroughness of their investigation as well as their individual case handling in the past months.

We trust that their report provides an accurate picture of the issues present at Paradox. It underlines a lot of the issues we had identified with our members before the audit. We are working in close collaboration with the company and other stakeholders, such as our safety officers, to follow up on and evaluate the execution of the action plan created based on Gender Balance's recommendations.

We trust that the clear acknowledgement of existing issues, the actions planned, and the transparency surrounding this process will lead to clear improvements of the work conditions and culture at Paradox, which we are very much looking forward to. Additionally we would like to thank Gender Balance for their excellent work.

*Zack Holmgren
Technical Lead & Union Representative, on behalf of the SACO and Unionen clubs at Paradox*

Report: Review of organisational capability to respond to discrimination, bullying and victimisation at Paradox Interactive

This report has been commissioned by Paradox Sweden and written by Paul Bengtsson and Anneli Häyrén.

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We would like to extend our thanks to all present and former employees of Paradox Sweden who have shared their experiences with us. Without your contributions this report, and the recommended measures resulting from it, would not have been possible.

An earlier version of this report, dated 2022-02-07, was initially sent in to Paradox management, safety officers and union representatives. The changes for this version are largely editorial, but also contains some clarifications of the method under 1. Introduction. No results, assessments or recommended measures have been changed.

Preface

We are aware that what we say and how we express it in this report will not only impact the work environment and everyday work life for hundreds of employees at Paradox, but may also influence large economic and strategic decisions. This is a daunting prospect, but one that we have had to put to the side. The only consideration and priority we can have is to give Paradox the best possible preconditions for creating the best possible work environment for its employees. Anything else would be unethical and would undermine the work we do and the purpose to bring us in.

We are also aware that some who read this report may disagree strongly with our conclusions, and may feel that their own experience is not accurately represented. Paradox is a big company, and houses a multitude of experiences and opinions. Our work has not been to vindicate a certain position, but to provide our specialist perspective, using relevant laws and knowledge as our starting points.

We hope that this report will be a solid foundation on which to base concrete and effective measures for a positive and supportive work environment, and we look forward to continuing our work at Paradox!

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I. Introduction

I.I Conclusions in summary

- Cases of particularly severe or overt harassment or sexual harassment reported to us have been fewer than expected for a company of Paradox's size.
- Cases of grey zone abusive behavior, which may defy clear legal definitions but nevertheless impacts the victim, is significantly more common. Women are significantly more likely to be targeted than men, but men also experience it.
- Many employees and managers describe a sometimes harsh, competitive and excluding jargon in the workplace.
- Gender, specifically the gender woman, is the most common ground of discrimination, both in the survey and in reported cases, although other grounds do occur.
- Ethnicity came on second place both in cases and the survey, but on significantly lower levels than gender. It is not clear how many would be vulnerable to discrimination on this ground however, and so the number may be proportionally high.
- The pandemic and working at home conditions have more than likely had an effect on these measurements, although it is difficult to say what that effect has been.
- Several employees report mistrust in management and HR to properly address complaints of misconduct or protect them against reprisals.
- Many who have made complaints are dissatisfied with the response or help they got, while a few have experienced repercussions or have been labeled disloyal or trouble makers by managers and colleagues.
- Lack of feedback, lack of transparency and no noticeable changes in the situation are the most common reasons for being dissatisfied with the handling of a complaint.
- Manager's ability to handle complaints varies significantly across the company. There are few standards of practice, little training and no guidelines specifically for managers.
- The Harassment or Victimization Policy contains ambiguous wording concerning areas of responsibility and little clear information on the process for managing complaints. Crucially, it does not address reprisals or the risk for reprisals.
- The checklist for case investigations in use by HR is mostly good, but crucially does not address reprisals or the risk for reprisals.
- Issues of discrimination and inclusion are politically charged at the company, making it more difficult for potential victims to be believed and for general discussions to be had. Management have not constructively handled this charge, and on some occasions have contributed to it.

1.2 The task

From the start the task has been to work with both short and long term priorities in mind. The short term priorities have primarily included case management as per chapter 2 of the Discrimination Act, meaning that individual employees have been able to talk confidentially to Gender Balance about their experiences of potential misconduct. In some instances and with the complainant's approval, we have conducted an investigation into the complaint and been a part of coordinating the company's response and measures.

The long term priorities have entailed us drawing organisational lessons from the case work as well as conducting systematic reviews, with the purpose of identifying potential shortcomings in the company's reactive and proactive work to combat all forms of discrimination. This report focuses on these long term priorities.

According to 3 chap. 11 § DL the employer must cooperate on work with active measures with employees and with unions with which they have a collective agreement. Union representatives and safety officers have been part of formulating the task and framework for this review.

1.3 Methods and limitations

Data has been gathered through interviews, cases management, a survey circulated among all employees, and through analysis of relevant documents. The individual interviews have numbered roughly 50 and have been with present and former employees on all levels. We include information gathering for cases in this number. Some of these have reached out to us after receiving information from Paradox that we were gathering information, others we have reached out to ourselves, usually as part of a case investigation. We have not put a time limitation on the data we have gathered through interviews, but in practice most of the potential incidents we have learned about have been within the last two years.

The survey was conducted 14-22 November 2021 and received a response rate of 78%. It focused on harassment, bullying and victimisation and was limited to the past two years. The purpose was to get an idea of prevalence of misconduct and a rough picture of the different forms it takes, to complement the data gathered in interviews. The survey results are available under Attachments.

Documents that have been reviewed include the Harassment and Victimization Policy, a checklist in use by HR for investigations regarding potential harassment, bullying, victimisation or discrimination, documentation of a number of cases previously handled by HR, and documentation regarding active measures.

As our review has focused on present day issues, the effect of the ongoing pandemic needs to be considered. For most of the past two years, people will have worked from home, and it can be assumed that this has had an effect on the misconduct present during the period.

We have expected, and also found, low levels of physical harassment. This may well change in the future, highlighting the need for making continuous measurements and evaluations. This is included in Recommended measures.

By employee, we mean someone working full or part time on permanent employment or probation, or as a trainee or intern. By manager, we mean any employee in a formal position of leadership regardless of their place in the hierarchy, unless stated otherwise.

1.4 Release of information and use of sources

Paradox management stated early on in the process that they would place no restrictions on what information or analysis we release in this report, except for expressing the very reasonable expectation that no individual employees should be exposed. This does not mean that no individuals should be held responsible if individual misconduct has been found, and individuals have been investigated and held responsible when appropriate. In order to protect the integrity of those involved, this report deals with individual case investigations only to the extent that organisational conclusions can be drawn, and then strictly in a deidentified manner. The same applies for those who have given information to us in interviews or emails.

We have also chosen not to present information directly related to specific parts of the organisation, e.g studios or departments, except for top management and HR. The reason for this is similar: as some parts of the company have only a handful of employees, we do not want to risk exposing individuals or small groups. Instead, if data from interviews or the survey have pointed to a certain part of the company, this will be communicated with the relevant managers directly, taking the same care not to expose individual complaints.

We have gathered data on all seven protected grounds of discrimination (see: Legal starting points). However, we are restricting what data we release in this report for all grounds except legal gender/sex. The reason is the same as stated above: the groups are so small that organisational conclusions are difficult to draw, and attempting to do so would risk exposing individuals. Similarly, we are not releasing data from the survey broken down on other genders than women and men, nor will we be releasing free text responses.

2. Our starting points

2.1 Legal starting points

There are two main legal starting points: the Discrimination Act (SFS 2008:567), and The Swedish Work Environment Authority's Statute Book, specifically Organisational and social work environment (AFS 2015:4).

The Discrimination Act (swe: *Diskrimineringslagen*, abbreviated DL) contains relevant legal definitions and sets up the employer's obligations in regards to combatting all forms of discrimination. Chapter 1 contains the general prohibition against all forms of discrimination and reprisals as well as definitions. Discrimination is defined as either disfavoured treatment or the violation of someone's dignity. Discrimination is an umbrella term which includes six different forms: direct discrimination, indirect discrimination, inadequate accessibility, harassment, sexual harassment and instructions to discriminate. The discriminating behavior or action needs to have a connection to one of seven protected grounds of discrimination: sex, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation and age.¹ The only exception is sexual harassment, which does not require a connection to a ground of discrimination but is instead defined as a violating behavior of a sexual nature.

DL places a number of obligations on employers, of which two are particularly important for this report: the obligation to investigate potential harassment and sexual harassment and take reasonable action to guard against reoffence, described in chapter 2, and the obligation to continuously identify risks for discrimination and take active measures to preempt it, described in chapter 3. The employer must cooperate on work with active measures with employees and with unions with which they have a collective agreement. Read more: do.se/choose-language/english/what-is-discrimination

The Equality Ombudsman (swe: *Diskrimineringsombudsmannen*, abbreviated DO) is a government agency tasked with supervising DL and other laws relating to discrimination. Among other things, they publish reports and may sue employers who fail to adhere to DL. Read more: do.se

The Swedish Work Environment Authority (swe: *Arbetsmiljöverket*) publishes provisions (swe: *Arbetsmiljöverkets författningssamling*, abbreviated AFS). These are binding regulations concerning various issues related to the general work environment, and predominately deals with preventive work. One of the provisions, Organisational and social work environment (AFS 2015:4), promotes a good work environment and sets out obligations for employers to work towards this goal. It deals with topics such as bullying and victimisation, which may be similar to discrimination but lacks the connection to the protected grounds of discrimination. Read more: av.se/en/work-environment-work-and-inspections/publications/foreskrifter/organisatorisk-och-social-arbetsmiljo-afs-20154-foreskrifter/

In summary, all employers have an obligation to both lessen the risk for discrimination and react appropriately to information about potential harassment and sexual harassment. The legal responsibility to resolve issues does not lie with the employee. If a situation does not meet the legal criteria for discrimination under 2 chap. DL the

¹ Notably, the list of protected grounds of discrimination is quite limited and does not include e.g. political affiliation/belief or sexual preferences beyond the hetero- bi- homosexuality spectrum.

employer still has a general responsibility for the work environment under 3 chap. DL and AFS.

2.2 Scientific starting points

There is little research done on specific interventions to prevent or decrease harassment, however research has identified and verified the efficiency of certain strategies.

One recent report, commissioned by DO, presents a research overview of the latest scientific findings. (DO 2021:2) The report highlights areas and general interventions that have been shown to effectively combat sexual harassment in a variety of organisations. While the report deals with sexual harassment, the results reflects findings of research on other forms of harassment and misconduct, and in any case sexual harassment is very rarely an isolated phenomena but commonly presents together with other forms of abusive behavior.

DO's report highlights the need to investigate and analyse three areas: organisational culture and workplace climate, leadership, and general civility. The report confirms that the general culture and jargon on a workplace has bearing on the prevalence and handling of harassment, with workplaces lacking a general civility being more at risk for harassing and discriminatory incidents. One vital area is the type of leadership that is employed and managers' and leaders' ability and willingness to act on and engage with harassment and similar difficult issues. Acting passively or meekly is associated with a climate where victims remain silent and management loose track of the state of the work environment. (DO 2021:2, s. 15)

Also highlighted in the report is the importance of working actively with the organisational culture, having adequate and well implemented policies and carrying out training programmes. Policies need to be continuously reviewed, including the implementation and compliance. Training should be practical and actionable and adapted to different staff categories. The taken measures need to be continuously monitored and evaluated. (DO 2021:2, s. 16f)

DO's report summarises:

In summary, the results from the research articles show that it is important to create a climate of zero tolerance. Sexual harassment may get free rein if the workplace has a culture or climate that provides opportunities for different types of sexual harassment such as jokes, jargon, groping, leering, unwelcome compliments, invitations and insinuations. Consequently, creating a culture based on mutual civility and respect is an essential component in preventing sexual harassment. It is important to create a safe workplace climate in which individuals dare to criticise and report ongoing sexual harassment in the workplace, without any reprisals. Employers should be particularly vigilant as to whether the organisational culture is characterised by norms and attitudes that can be linked to a destructive organisational culture such as a macho culture, a culture of silence, a punishment culture or culture of resistance. (DO 2021:2, s. 17)

These findings are well in line with previous research and theoretical works on both harassment and sexual harassment. (see e.g Andersson 2007; Hearn et al 2001; Kanter 1993; Wahl et al 2018)

One commonly recurring question is what level of harassment can be commonly found in an organisation of a particular size. Here, the scientific literature is unable to provide a certain answer, as it depends on a large number of factors. The issue is illustrated well in another recent literature review, commissioned by The Swedish Research Council (swe: *Vetenskapsrådet*), which looked at the prevalence and effects of sexual harassment within higher education, as well as the general state of research into this. (Vetenskapsrådet 2018) The report highlights the general difficulties in measuring and researching sexual harassment and the wide range of results that can be seen in studies, and many of the underlying factors making it difficult, most notably differences and deficiencies in definitions and methodology. (Vetenskapsrådet 2018, s. 8f) The results largely mirrors those of a similar but older literature review. (Welsh, 1999) That harassment and sexual harassment is relatively common on the aggregated level is, however, well established, as is the fact that women are far more commonly targeted than men. This can be seen in e.g a report from The Swedish Work Authority which shows that one in ten women have experienced sexual harassment at their workplace during the past 12 months. That harassment has clear or overt sexualized tendencies is also more common against younger women, with almost one in four in the age group 16-29 years having experienced harassment within a 12 months period. (Arbetsmiljöverket 2020:2, s. 10) Because of these difficulties in establishing a dependable benchmark for comparison, we hold that the only meaningful benchmarks for an organisation are previous measurements of the same organisation using the same measurement tool.

We mainly employ two theoretical tools to understand harassment, namely master suppression techniques and the sexual harassment stair case. Master suppression techniques, suppression techniques for short, describes behaviors or techniques for exercising power in an abusive or dominating manner. (Ås 2004) The concept is somewhat similar to other terms like hostile work environment or micro-aggressions. The sexual harassment stair case is a tool that makes visible degrees of intensity and visibility of various sexually harassing behaviors. (Hagman 1988)

2.3 Proven experience

We also adhere to proven experience, i.e knowledge, methods and strategies that have been proven true in our, and others's, professional experience.

First of all, we know that no organisation is immune to discrimination. Discrimination being recurring in society in general, it is a statistical certainty that any organisation with a large enough number of employees will have its own issues. Discrimination is, much like other work environment problems, common. This should not be understood as saying that

discrimination is acceptable to any degree, or that there is nothing to be done about it. While any company should expect incidents, these incidents can and need to be kept to a minimum. Certain incidents, like severe or explicit discrimination or involving repeat offenders, can almost always be prevented. These are also the type of cases which, in our experience, causes the most damage to the organisation and hurt to the people in it.

We also know that discrimination can be surprisingly hard to discern and describe, even for the victim. The common sense-understanding of harassment is typically of single, isolated acts that show an outspoken bias towards a group or which is very clearly violating (e.g groping or using ethnic slurs). In reality however, harassment tends to present as a number of ambiguous behaviors and acts that on their own may look innocent, but viewed in context and over time forms a pattern of abuse that may impact the victim severely. This pattern often takes time for the victim to identify and they may only do so after so much weight has accumulated that it has become unbearable. This presents a major challenge in dealing with harassment cases and supporting victims. Crucially, research shows that even persons who have not themselves understood or defined an improper behavior against them as harassment or sexual harassment still suffer the same negative consequences as those who do. (Welsh 1999, s. 175)

Finally, we know that many organisations tend to face inequality issues with too one-sided methods, perspectives, and competencies. For example, occupational health services tends to focus on the health of individuals and therefore lacks the tools to handle the social context and group dynamics, while a one-sided legal perspective tends to focus on single events that may lead to lawsuits, but without seeing other damaging effects or the context in which the discrimination has emerged. Too often specific anti-discrimination competencies are missing altogether, and people on leading positions are unclear as to what their responsibilities are and how to fulfill them. In the worst case scenario, this creates anxiety within the leadership to deal with harassment and a head-in-the-sand attitude. The organisation fails to create a zero tolerance environment and fails to catch incidents early on, allowing some to escalate, while employees feel left out to their own devices. This in turn decreases the chance that potential victims will come forward, furthering the disconnect between management and employees.

2.4 The goal

It goes without saying that the only decent and reasonable vision for harassment is a zero-tolerance policy. However, as harassment can and should be expected to some degree, a more realistic goal is to *minimize the number* and *decrease the severity* of incidents. While some incidents are inevitable, the prevalence of incidents that may be characterised as more severe (i.e systematic and long term abuse, sexual assault, perpetrators in leading positions, etc.) may be reduced significantly and the damaging effects contained, given proper preemptive and reactive structures.

The goal is not to come up with a complete solution but to build an organisation that can concretely, constructively and sustainably manage the issues of discrimination, and this requires structural capital. Structural capital is an organisation's work routines, policies and managerial decisions and how well implemented, disseminated and communicated they are. A high structural capital means that an organisation has well written and suitable routines and policies, that employees know about them and know how to work with them. This creates transparency and a sense of knowing what to expect from e.g. a harassment complaint. It also means that the company's response to complaints is not dependent on individual managers' competency or goodwill, creating a dependable and generally high quality of response and action. Comparatively, a company with low structural capital may have a well written policy but no training or clear information on it, resulting in an uneven implementation of it. How we propose to reinforce structural capital at Paradox will be presented under Recommended measures.

3. Results and conclusions

3.1 Key takeaways

In summary, there is a significant lack of structural capital in terms of the company's response to misconduct. Managers lack the training and supportive structure that would allow them to constructively manage incidents of misconduct and adhere to DL and AFS. As a result, the company's response to potential misconduct is very uneven, ranging from good to weak and in some cases even aggravating, and largely dependent on the personal commitment of individual managers. Many cases that should be relatively easy to manage are dismissed or not picked up at all, creating a climate that in practice tolerates misconduct to some extent. Processes are lacking in structure and transparency, resulting in unclear expectations and reluctance to file complaints.

While direct comparisons to other organisations are impossible due to lack of useful benchmarks, we assess that Paradox likely compares somewhat disfavouredly in terms of the prevalence of misconduct, compared to organisations of similar size and employee composition. Clear-cut discrimination has not been common during the past two years, but grey zone abusive behaviors are common enough to constitute recurring or significant work environment issues in many parts of the organisation. There is a clear gendered pattern to this, with women being significantly more likely to be victimised as compared to men, although men also experience it. Harsh jargon and the use of negative stereotypes also occurs and are compounding factors.

3.2 Prevalence and forms of discrimination and misconduct

At Paradox, grey zone abusive behaviors have been found to be somewhat commonly recurring in the organisation as a whole, and more commonly in certain parts. The survey shows the incidence rate of suppression techniques to be high, between 6-20% depending on the specific technique for all genders but with women considerably more exposed as compared to men. The findings in cases and interviews are much the same. The behaviors include using harsh and demeaning language, ridicule, recurring mean-spirited criticism, unfairly questioning competence, interrupting or speaking over someone in meetings, and blaming and shaming. While single incidents may not always cross the line into harassment or bullying, when the behavior is recurring it forms a pattern of behavior or jargon which becomes abusive. Perpetrators are most commonly male employees or managers, although the survey shows that female managers occur somewhat frequently as perpetrators of certain suppression techniques as well.

Both legal genders report experiencing abusive behaviors to some degree, but the numbers are significantly higher for women as compared to men. Investigating this type of incident, it is typically difficult to find and corroborate a connection with gender in the specific situation, which would allow for a classification as harassment under DL. We have instead typically treated this type of misconduct as bullying or victimisation under AFS.² However, the fact that far more women than men report these issues is telling, and so on the organisational level we conclude that there clearly is a gendered pattern.

A number of women have also reported more overt behavior, such as unsolicited compliments or comments about their appearance, having their competency questioned in a way that does not happen for male colleagues, or seeing the recurring use of gendered and negative stereotypes. Many have reported that this has created an atmosphere and a culture in which they do not feel welcome, and which they perceive as being open mainly to men. Key positions in the company are described as belonging to men who are not held accountable in cases of misconduct. Bringing up issues related to the work environment or inclusion is frequently berated in this environment, both by managers and colleagues. Several women have reported employing various coping strategies, such as avoiding working with or minimizing their contact with certain persons, putting up a harsh facade, or having to advertise that they are in a relationship in order to not receive unwanted advances from male colleagues.

Much of this behavior is described as being part of a general jargon, rather than explicitly or overtly targeting individuals. Several employees, both men and women, have told of a jargon that can be harsh, fiercely competitive and unsupportive, especially in digital channels such as Slack.

² In terms of what practical measures are taken to protect a confirmed victim and make a perpetrator stop, there is typically no difference if the misconduct falls under DL or AFS.

It is important to note that low-intensity or grey zone abuse does not necessarily cause less damage or less hurt compared to obviously violating behaviors. In fact, grey zone abuse may be at least as damaging to an organisation as clear cut harassment, especially if there is a pattern of recurring behaviors that are not acted on by management. The nature of grey zone abuse as difficult to understand and identify as abusive may in itself cause more harm to a victim as compared to single incidents of clearly identifiable harassment, which will be easier to understand and put into words. Grey zone abuse is also significantly more likely to be dismissed when brought up with a manager or other employees who do not share the same experience or who perceive it as isolated incidents.

Another dimension is fans and customers. The only area measured in the survey in which men were more likely to experience misconduct than women, are from fans and customers of the company. Several employees and managers have related experiences of fans and customers being highly opinionated, sometimes to the point of being abusive, especially for those who's work entails regular customer interaction. Forums managed by Paradox also regularly see comments with extremist political or hateful speech, e.g anti-semitism. While these comments are also regularly deleted, they are frequent enough to be a work environment issue for some.

We have handled a smaller number of cases that we characterize as more severe. This may be because the specific behaviors have been obviously violating, because abuse has been ongoing under a long period of time, because of dependency or other types of special vulnerability, or a combination of the above. Because of the small number of cases and the sensitive nature we are unable to comment much, but we can conclude that this type of discrimination by all indications does not appear to have been common at Paradox during the past two years, and we have received few first hand accounts of cases earlier than that.

Regarding other protected grounds of discrimination than legal gender (woman and man), data from cases and interviews is insufficient to make a general assessment. The reported rates of potential harassment and the number of cases is simply too low to say anything about prevalence or form on an organisational or group level, and doing so would risk exposing individuals. While the absolute numbers are low compared to gender, the proportional numbers may still be high, and so this should not be taken as an all-clear. 3 chap. DL obligates the employer to work continuously to decrease the risk for discrimination for all seven protected grounds of discrimination.

Overall, misconduct on Paradox over at least the past two years has been mostly characterized by a poor and unsupportive jargon, sometimes targeting individuals, and sometimes not. Women also experience misconduct with varying degrees of gendered components. Regardless of if individuals are targeted or not, this climate is a major issue to Paradox as a company, as the civility highlighted as central to anti-harassment efforts in DO's report is clearly missing in many parts of the company. (DO 2021:2, s. 15) As for more severe or overt forms of discrimination, it is impossible to judge with any certainty what

the effect of the pandemic has been, and what development will be seen as people return to the office, highlighting the need for continuous monitoring of the work environment.

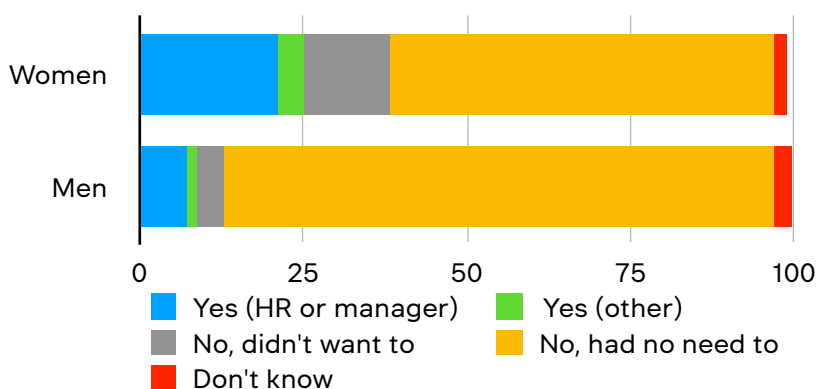
3.3 The employer's handling of cases is uneven

HR has reported a total of 16 handled cases for the period 2016 to September 2021, roughly averaging 3 cases per year. While it is impossible to say with any certainty what number of actual incidents could be reasonably expected, based on our data and the aforementioned research and proven experience, 16 cases appears very low, and strongly indicates a significant number of unrecorded incidents.

It is important to note we do *not* believe this is because HR knowingly and willingly suppresses case numbers. It should also be noted that from our experience, similar situations are likely to be found in many other Swedish companies. From the gathered data we believe the reasons for the low capture rate of incidents at Paradox are: 1) inadequate company routines for handling cases, 2) managers are trained in DL and AFS, but not in practical case work or in recognition of potential misconduct, 3) inadequate communication of company policy and legal rights, 4) as a result of the above, low confidence among employees in the process, leading to a low tendency to report, and 5) a perception that only "severe" or "legal" cases warrant or is worth the risk of making a report. We conclude that the company has not been able to catch and manage the width of problematic behaviors, and as a result top management has lacked proper insight into issues of misconduct and how it is perceived by employees.

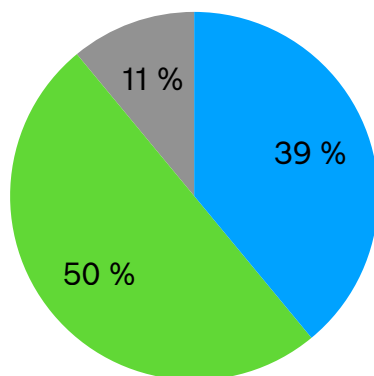
As can be seen in Q70, 21% of women and 8% of men have filed complaints with either their manager, HR or both, regarding their own experiences. 13% of women and 4% of men reported that they did not want to file a complaint while 59% of women and 84% of

men have answered that they have not had the need to.



Q70. During the last two years, have you filed a complaint or voiced concern regarding your own experience of potential harassment, sexual harassment, bullying or victimisation?

According to the optional free text answers following Q70, the most common reasons for not wanting to file a complaint was a belief that the complaint would not be taken seriously or that no action would be taken, followed by being concerned about repercussions from the perpetrator or others. A small number of respondents also indicated that they thought their experience was not serious



● Yes
 ● No
● Don't know

Q71. Were you satisfied with the response or help you got?

enough for a complaint, or that they managed it successfully on their own by e.g talking to the perpetrator. Although the results indicate a significant number of unrecorded potential incidents, it also shows that the majority of incidents deemed problematic by an employee are reported to the employer.

As Q71 shows, only 39% of people who did file a complaint were satisfied with the response or help they got. The differences between men and women in this regard are very small. Optional free text answers provide additional context. Respondents are somewhat evenly split between feeling that their manager responded well enough but was held back by company policy or regulations, or that their manager did not seriously try to address the issue or outright dismissed it. Several also report receiving a good first response, but then seeing very little to no discernible

change and receiving no information or follow up. A few report experiencing direct or indirect reprisals from their manager. There are too few free text answers who were satisfied with the response to draw general conclusions.

Similarly, respondents have a mixed impression of their contact with HR. To some, contact with HR appeared to be too rigid and limited by policy or regulations, for example hearing that nothing could be done except some individual support (i.e contact with occupational health services) unless certain formalities were executed first, such as that they themselves had to talk to the presumed perpetrator or document their experiences. Some believe that HR always assumes the employer's perspective to the cost of the employee. Some respondents, however, report being satisfied with their contact with HR and the support they were offered.

These findings are largely mirrored by findings from interviews and case management. Many we have talked to express a low confidence in HR, most commonly citing other's experiences but sometimes also based on their own. Confidence in managers are very mixed, many expressing that they trust and feel supported by their manager but do not believe in their ability to affect meaningful change due to company policy, while some describing their manager as part of or even aggravating the problem. Other managers than the respondent's own are often cited as problems, both as perpetrators of actual misconduct or as tacit or overt supporters of perpetrators. A number of employees express that managers higher up in the hierarchy are virtually protected from any complaints and that there is no point in trying to change problematic behavior that they are complicit in, and that trying to do so would only result in reprisals and the complainant being labeled as disloyal or a trouble maker. A few describe having been labeled as such by managers or colleagues. Several people we have talked to, mostly women, have stated that they have

decided to talk to us or file complaints only because they have decided to quit their jobs at Paradox now or in the near future, citing lack of confidence that they would still be welcome at their work place if it got out that they had made any type of complaints.

The combined findings support our conclusion that case management at Paradox is generally very uneven and to a large degree dependent on the individuals involved. Main complaints include lack of discernible action and feedback or follow up, while others complain that they have been treated poorly or been labeled trouble makers for making complaints. It should be of special concern that a number of employees appear to have experienced repercussions to some degree. It should be noted that we have not conducted individual investigations in to and been able to corroborate claims of reprisals. It should also be noted that such claims are generally very difficult to investigate and corroborate, as reprisals tend not to be overt and a perpetrator is very unlikely to admit to it. The fact that several people have told us of experiences of this, and from different parts of the company, is however evidence enough to conclude that on the organisational level, reprisals or a perceived risk for reprisals is a real and recurring problem that needs to be forcefully addressed.

The perception that HR takes the employer's or perpetrator's side by default is serious, and regardless of the basis for this perception, needs to be addressed. DO has previously stated that whoever is conducting an investigation under 2 chap. DL "needs to be able to act impartially, and have the involved persons's confidence." (DO, TIL. 2018/506)

3.4 Structural capital is lacking

The following section is mainly based on a review of documents. These documents include the checklist in use by HR for investigating potential cases of harassment, sexual harassment, bullying or victimisation, the company Harassment or Victimization Policy, documentation for active measures, and documentation regarding previously handled cases.

The checklist for conducting case investigations in use by HR is overall good, but crucially lacks clear routines for reprisals as mandated in 3 chap. 6 § DL. Apart from this omission, the checklist is one of the better ones we have seen. It does not show an over-reliance on legal definitions or limitations, as can often be seen in similar documents, but allows for some flexibility in a positive sense with the aim of solving or alleviating problems. However, the checklist is not in use with others than HR, and it is difficult for us to say how well implemented it is since we have not been part of the implementation process.

We are more critical of The Harassment or Victimization Policy. Wording to the effect that "managers and employees have a shared responsibility for preventing and combating discrimination" are improper and incorrect, as managers in fact have a far greater responsibility under DL. Combined with wording that places the responsibility to report potential misconduct on employees, but without obligating managers to act on suspicion

or indication as obliged by DL, the policy's ambiguous wording can be interpreted as shifting some of the employer's responsibilities to the employee. While we have no reason to suspect that that is the intended purpose, a good policy should clearly and concisely communicate legal responsibilities and what can be expected from the described processes. However, the process for investigation is only superficially explained, as is possible measures. Again, the prohibition of reprisals in 2 chap. DL is left out. In summary, we conclude that the current policy is an ineffective tool for communicating standards of acceptable behavior, individual rights and responsibilities, and the process for making complaints.

The lack of mentioning the prohibition of reprisals in DL in both the checklist and in company policy should be regarded as a serious omission, especially considering the perceived prevalence in the organisation.

HR has provided documentation on some previous cases. The focus for our review has not been to assess the validity of the conclusions, but rather to gain insight into the de facto process and routines regarding documentation. The provided documentation has mainly had the character of work notes.

We have identified areas of improvement mainly in terms of documentation practices. Most importantly, we will be recommending that a standardized template for reports is used. This should make it easier to follow up on cases and draw organisational conclusions for the benefit of active measures. (3 chap. DL) It also serves to increase transparency about the process and the investigation's conclusions for those involved.

Documented active measures (as per 3 chap. DL) show a reasonably wide selection of issues that are up for investigation, analysis and potential measures. Most items have an expected completion date during 2022, and no documentation or evaluation on finished measures have been provided. We have been informed that the work with active measures has only recently been started. The provisions for active measures in DL came into effect 1 January 2017, making Paradox late to be starting now. This should not be taken as meaning that no preemptive work against discrimination and misconduct has been undertaken during this period, just that the work appears to not have followed the legal guidelines for process and documentation.

Based on the above we conclude that the structural capital at Paradox regarding DL and AFS is lacking in important areas, though there is a foundation to build on. Most importantly, the company lacks explicit guidelines for protecting employees who makes complaints or raises concerns from reprisals, and the policy contains ambiguous wording that is unlikely to alleviate the concern many employees feel around filing complaints. The process is often seen as lacking in transparency. There are no guidelines or checklists for managers to use in case management, which is likely to significantly contribute to the uneven response we have seen.

Routines and policy also need proper implementation. In most cases, this means that those who will work with the processes receive training in them, and that the use and usefulness is followed up and evaluated on a regular basis. While we have not conducted a detailed review of the training sessions offered to managers, it is our impression that these have been too focused on the legal perspective and have not properly prepared managers for practical case work (e.g recognition of indications, basics of investigation, assessment and implementation of short- and long-term measures, etc.). Some managers we have talked to have also reported that they do not feel adequately prepared to handle issues of discrimination or other misconduct, even though they believe it is important. Some have also not been aware that they, under DL, are equal to the employer and so are obliged to act in certain ways when they become aware of potential harassment. (prop. 007/08:95 s. 296) In most companies, the line management are crucial to the company's ability to respond to harassment. But in order to fill that crucial role, managers on all levels need to be prepared, trained and supported by the company. We conclude that the company has not done this, and this is likely a major reason why the company shows such unevenness in the response to misconduct.

In summary, Paradox lacks the structural capital to consistently catch and manage low-intensity and grey zone abusive behavior, even when it is brought to managers' attention. The lack of response leads to a lack of confidence in management's capability and willingness to deal with more severe cases and protect individual employees against reprisals. As a result, incidents which could and should be promptly and efficiently dealt with are left untreated, while there is a fear that severe discrimination can occur at any time, and will similarly go unchecked.

3.5 Political charge

While partly outside of the scope of our review, we would be amiss not to mention that there is a political charge at the company to the issues described in this report. Raising concerns or making complaints about the work environment is sometimes perceived as taking a political stance, as is disagreement with said concerns or complaints. This complicates the work that needs to be done under DL and AFS and at times allows for the dismissing of personal experiences of potential misconduct as just personal opinions.

The reasons for this political charge are partly outside of what the company can influence – they are inherent in a wider political discourse taking part on a global arena. However, there is an apparent connection to the fact that Paradox produces and publishes games that frequently involve political and contentious issues. This naturally introduces the topics into the work life of many employees and is a source of disagreement and sometimes conflict.

We have previously stated that Paradox management has not communicated acceptable standards of conduct clearly enough. This can be described as a lack of ownership over

certain issues stemming from the work environment. The lack of ownership creates a space for politicization, meaning that e.g. complaints may be dismissed as mere personal opinions, instead of being treated on a factual basis and with transparent and lawful processes.

In our view, it is paramount that management work to defuse this charge as it relates to the company's obligations in DL and AFS. Management needs to take a clearer ownership of these issues and communicate acceptable standards of conduct, as per DL and AFS, in a way that does not allow the application of these laws to become overly politicized. This is *not* the same as saying that employees should not be allowed to be opinionated and that political discourse at the company by definition is negative – only that it can not get in the way of the employer's legal responsibility to provide a safe work environment free of discrimination. Some of these issues are likely to remain highly politically charged in the wider society outside of Paradox, but it is vital that this is not allowed to derail the company's continuous work to live up to its legal obligations.

3.6 Discussion

As our assessments are interspersed in the report, the discussion will be kept brief. The problem we have found is not that every single woman or every single member of a minority will risk discrimination or abuse at Paradox, or even that misconduct is only experienced by women or minorities. The problem is that this experience is common enough to make it an organisational issue.

Similarly, the issue is not that managers and HR never reacts appropriately or takes the side of the accused by default. We have seen a number of cases where a confirmed victim has been more than happy with the handling of their complaint. The issue is that this can not be depended on across the organisation, and that a large portion of employees do not feel safe making complaints in the first place.

The purpose of a good investigation, apart from ensuring that confirmed misconduct does not reoccur, is to create a level of certainty and clarity in regards to what has happened and how it should be interpreted. At Paradox, the lack of transparency in the process and general lack of feedback has created situations that have needlessly remained uncertain. From the subjective perspective of someone who has been wronged, it may be impossible to tell if the wrong has constituted discrimination, bullying or simple human error. We want to stress again that it is not up to the presumed victim to bring clarity to this – it is up to the employer. When this is not done and concerns are dismissed, and coupled with a work place culture and jargon which can at times be harsh and excluding, many persons will naturally and reasonably assume the worst. This in effect sets up two different echo chambers: one in which discrimination and misconduct is the *exception* to an otherwise well functioning and inclusive workplace, and one in which discrimination and misconduct is the *rule* of a flawed organisation.

In our view, discrimination and misconduct is neither an exception nor a rule at Paradox: it is simply too common, and it is not being adequately met by the employer. The following recommendations aims to correct some of the issues highlighted in this report.

4. Recommended measures

4.1 Strategies

We recommend four main strategies for addressing the issues identified in this report:

- 1) Build up structural capital by means of revising and establishing necessary routines and policies regarding proactive and reactive work with DL and AFS. Routines and policy must be clearly communicated internally.
- 2) Train employees and managers on all levels to recognize, preempt and counteract abusive behaviors. Managers and HR need extended training on their role in case management, which also serves to implement routines and policy.
- 3) Enforce a zero tolerance policy through clearly communicated standards of acceptable conduct, and speedy, constructive and proportional case management as per 2 chap. DL.
- 4) Work with active measures as per 3 chap. DL to preempt risks for discrimination.

In order to execute and maintain these strategies, we recommend that Paradox management establishes an action plan on the basis of the following recommendations. The action plan should include a clear division of responsibility, a time plan for each measure, and a plan for follow-up and evaluation. Progress on the action plan should be regularly communicated to the entire company.

4.2 Executed measures

The following measures have been completed at the time of writing this report. They are mainly investigative and are laying the groundwork for the work to come.

- A survey has been conducted measuring the prevalence and forms of misconduct.
- A number of personal interviews have been conducted to compile personal experiences of the work environment.
- Relevant documents have been reviewed and general areas of improvement identified.
- A number of individual case investigations have been conducted, and where appropriate, measures have been taken to support victims and prevent harassment from happening again, as per 2 chap. DL.

- A group containing union representatives, safety officers, HRBP's and the CHRO has been set up with the purpose of coordinating Gender Balance's work, as per the obligation to coordinate active measures in 3 chap. II § DL.

4.3 Planned measures

The following measures have been approved by Paradox management at the time of writing this report, though details may not have been decided on yet.

- The checklist for investigation will be more thoroughly reviewed and revised to include protection against reprisals and guidelines for transparency, and to ensure the best possible fit with other company policy and best practice.
- The Harassment and Victimization Policy will similarly be more thoroughly reviewed and revised to include protection against reprisals, to ensure the best possible fit with other company policies and best practice, and to clearly communicate both standards of acceptable conduct and what can be expected when one makes a complaint.
- A training programme in two phases will be launched shortly. The first phase will target all employees, including managers. It will provide foundational and practical knowledge about harassment and how it can be countered and prevented. The second phase will target managers on all levels and HR, and provide a more in-depth perspective on case management and concrete tools for creating processes that employees can depend on. More information will come shortly.
- Managers' support structure when dealing with potential harassment cases will be reinforced, including writing clear guidelines for investigation, taking measures, protecting against reprisals and coordinating with other resources (HR, occupational health services, other managers, etc.).
- Measurements of the prevalence and forms of misconduct will be conducted on a regular basis in the form of a standardized survey. Details are yet to be decided, but our recommendation is that this should be done at least once per year. This will over time create benchmarks for tracking progress.
- Gender Balance will, as a temporary measure, remain an additional resource to use for employees who may have experienced discrimination or other misconduct. This will last while structural capital is built and Paradox's internal capability is reinforced, after which Gender Balance are planned to go into a more advisory role. The time frame for this is not fully decided but depends largely on when the training programme can be launched. More information will follow.

4.4 Other measures

- Managers' responsibilities under DL and AFS should be written into existing templates for job descriptions, if it is not already (this has not been reviewed).

- Some managers have expressed that they would like the opportunity to discuss their roles and tasks with other managers on a more regular basis. The possibilities for managers to exchange experiences and discuss leadership challenges should be evaluated.
- We have not looked specifically at staffing and resources available to HR, but we recommend that HR evaluate if they need to increase staffing to allow for more time and resources to be spent on case management and active measures.
- The company should continue working with active measures as per 3 chap. DL.
- Routines for the cooperation with employees and unions on the work with active measures should be formalized.
- We propose that we arrange workshops with groups of employees and managers, with the purpose of gathering ideas for other active measures.
- Unclear job descriptions, routines and areas of responsibility have been a compounding factor in some situations we have investigated. Importantly, this does not in itself create misconduct, but it may create additional friction and difficulty, and addressing it may also help address and alleviate incidents of misconduct.
- Friday Social Hours are an appreciated part of work life at the company, but it has occasionally created situations that are conducive to misconduct. Measures should be taken to decrease this risk, e.g establishing simple guidelines for the event, and having a responsible manager on site who opens and closes the event, monitors alcohol consumption, and serves as a dedicated point of contact for employees.

4.5 Follow-up and evaluation

Each measure decided on by Paradox management to adress the issues raised in this report should be documented, and within a reasonable time frame, evaluated.

Attachments

The full results of the survey, except free text answers, can be viewed on the following links. Password: pinetree

Results of the survey:

<https://sv.surveymonkey.com/results/SM-8W2G57RJ9/>

Results of the survey with the variables women and men in comparison:

sv.surveymonkey.com/results/SM-V7M7Z7RJ9/

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