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# Best Buy investigation highlights workplace romance policies in the era of MeToo

Workplace-behavior policies haven't caught up with social expectations.

By Jackie Crosby Star Tribune | JANUARY 25, 2020 — 4:19PM



GLEN STUBBE - STAR TRIBUNE

Best Buy CEO Corie Barry greeted employees and then customers as the the Richfield Best Buy store opened on Thanksgiving.

The one-page letter was unsigned and typewritten. Seven single-spaced paragraphs filled the page, leveling a host of accusations against Best Buy's new chief executive, Corie Barry, that ranged from petty observations to potentially more serious personal conduct, including having a secret workplace romance with a peer.

The Richfield-based retailer swiftly hired an outside law firm to launch an investigation into the Dec. 7 letter, standard practice when corporate leaders learn of alleged misdeeds.

Barry, who took over the company in June, said she has given her "full cooperation and support" for the review now underway.

The case highlights a multitude of thorny issues relevant to Best Buy and other

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In the era of the MeToo movement, company leaders are grappling with gray areas of sexual harassment and discrimination alongside shifting power dynamics as more women take on top leadership roles.

Workplace behavior that once might have been tolerated or normalized is more likely to get priority treatment from a human resources department — and a call to the lawyers.

The change has been swift. In 2005, about a quarter of U.S. workplaces had policies addressing consensual relationships, according to surveys by the Society for Human Resources Management, or SHRM. By 2013, about 42% had instituted them.

Best Buy declined to disclose the exact wording of its policy, but research shows that nearly all companies have rules that prohibit sexual or romantic relationships involving supervisors and their direct reports.

While 86% of Americans now endorse a zero-tolerance policy toward harassment, the law hasn't caught up to changing cultural norms.

"The vast majority of companies do more than what the law requires because our employees require it and they expect it and we want to be a progressive workplace," said Sara Gullickson McGrane, a Minneapolis trial lawyer and legal adviser to corporations.

Rules of conduct don't always provide clarity or a path to action, however. Often there are no witnesses, or situations become a he-said, she-said.

Consumer-facing companies may feel more pressure to take action to protect their reputations because maintaining the status quo may appear that they aren't taking it seriously, McGrane said.

"The power of an anonymous complaint has changed," she said. "The bigger part that has changed is that once somebody's been accused, it's difficult to overcome that. The public doesn't want to wait to find out what the investigation showed."

Women in leadership can be held to different standards and face resentment and pressures, said Janice Downing, a Twin Cities human resources consultant who works with companies to identify problems and make changes.

Barry, a married mother of two and one of 24 women at the helm of a Fortune 500 company, can't escape it, she said.

"Interesting things can happen when men are led by women," Downing said. "It's one of those things where people say, 'You may be sharp, you may be good, but I am, too. If I don't get what I'm entitled to, I'll make your experience difficult.' That makes it challenging for women at work."

This is the second time in less than eight years that Best Buy's board has found itself publicly grappling with personal conduct among its top leaders.

Former Chief Executive Brian Dunn, then 51, resigned in April 2012 amid a probe into his relationship with a 29-year-old female subordinate.

The allegations against Barry seem to lack the power dynamic often found in these cases.

The anonymous letter, purportedly written by a group of employees under the

## Best Buy board investigates CEO Barry over relationship allegation

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name “We are Best Buy,” claims Barry — before becoming CEO — had a romantic relationship for years with Karl Sanft, a former Best Buy senior vice president of U.S. retail operations. Sanft left Best Buy in early 2019 and is now chief operating officer at California-based 24 Hour Fitness Worldwide.

“An affair at work is not illegal,” McGrane said. “It is when it has an impact on the organization in a negative way.”

In Dunn’s case, Best Buy’s audit committee focused on how the relationship had “negatively impacted the work environment.”

Best Buy founder Richard Schulze, who knew of the affair and did not disclose it to the board, also ended up stepping down as board chairman.

The legal standard for harassment, “severe and pervasive” behavior, is a higher bar than what ends up getting someone fired, McGrane said.

Company leaders assess how personal actions reflect on the workplace culture and the corporate brand. For CEOs, there’s no getting around the power imbalance.

McDonald’s Corp. fired Chief Executive Steve Easterbrook, a divorced father, in November over what was described as a short-term and consensual relationship with an employee. His actions reflected poor judgment, the board of directors said, and violated a policy that prohibits employees from “dating or having a sexual relationship” with direct or indirect reports.

The investigation, which took three weeks, didn’t come to light until Easterbrook’s ouster, however.

At the same time, office romances happen, and most employers aren’t going to outlaw dating at work.

One in three adults said they are currently or have previously been in a workplace romance, according to a 2019 poll by SHRM, the world’s largest human resources industry group. But nearly a third have never disclosed it.

SHRM CEO Johnny C. Taylor Jr. believes companies should encourage employees to disclose the relationships as “the most effective way to limit potential for favoritism, retaliation and sexual harassment claims.”

Having a policy allows managers to talk to employees and determine whether the relationship is indeed consensual, said Downing, the Twin Cities consultant.

“A lot of organizations, say: Do it but don’t let it get in the way of the work you perform.”

Once accusations become known to managers, the issue can’t legally be swept under the rug. The law grants certain protections to those who report suspected wrongdoing in “good faith” — even if it turns out to be false — to encourage people to come forward.

McGrane underscored that launching an investigation is not an indication of guilt.

“I’ve hired investigators in 100 situations,” she said, “and truly half the time they find that something happened and half the time they don’t.”

But she’s concerned by the gap between the law and cultural mores, and wonders whether the pendulum has swung too far.

“Three years ago, boards of directors would look at the investigator’s finding and make a clear decision based on those findings,” McGrane said. “Today when there’s an allegation, there’s a pressure on the board to not necessarily just follow investigative findings but to show the public that they’re doing more. It’s a very different time to be in a leadership position when an allegation is made against you.”

Downing and McGrane said they have seen companies change their culture and institute more effective policies. People who exhibit bad behavior on the job can often undergo training and still keep their jobs.

Accusations such as those leveled against Barry are survivable, Downing said.

“People make allegations all the time. It’s how she handles it,” Downing said. “If she’s got a lot of credibility and respect for her work, she can recover. How many politicians have fallen on their faces and keep pushing on?”

“For her to recover from this, she has to have full board support,” she said. “She has to address it directly and look transparent and authentic as much as she possibly can. If she has the ability to do those things, it’s doable.”

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**Jackie Crosby** is a general assignment business reporter who also writes about workplace issues and aging. She has also covered health care, city government and sports.

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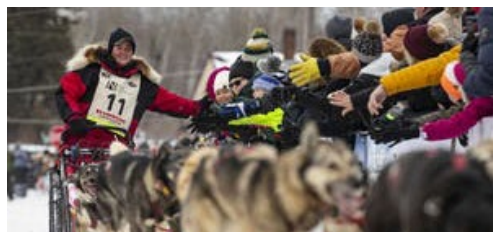
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