‘Cube Crawls’ and Cocaine — Sex Harassment, Discrimination Claims Hit Video Game Company

By Stephanie Forshee July 23, 2021

Activision Blizzard is facing allegations of a “frat boy” culture at the company and accuses human resources executives of looking the other way when it comes to incidents of misconduct. One such incident, court documents allege, led to the suicide of an employee.

Female employees of the Santa Monica-based company known for its Call of Duty and Candy Crush franchises reportedly received lower pay than their male counterparts in addition to being subjected to harassment, unwanted groping and derogatory comments, according to a 29-page complaint filed by the California Department of Fair Employment and Housing in the Superior Court of California, Los Angeles, accusing the gaming company of “constant sexual harassment” and discrimination.

In an email statement to Agenda, Activision says, “There is no place in our company or industry, or any industry, for sexual misconduct or harassment of any kind. We take every allegation seriously and investigate all claims. In cases related to misconduct, action was taken to address the issue.”

However, governance observers question how the alleged misconduct could have been so widespread and gone on so long, particularly as high-profile misconduct issues have shifted tech-industry boards’ focus to culture in recent years.

“I would be shocked if directors had not ever heard some smoke associated with these kinds of issues inside the organization — if not actually being aware that it’s a raging fire,” said Jason Schloetzer, area coordinator of accounting and business law and associate professor of business administration at Georgetown University’s McDonough School of Business.
According to the lawsuit, one unnamed female employee was allegedly told that the company couldn’t risk promoting her because she might get pregnant and abandon her work, while others received poor reviews while away on maternity leave. One female employee who had a sexual relationship with her supervisor committed suicide on a work trip, and it was later revealed that intimate photos of her had been viewed and shared by multiple colleagues.

Other employees reportedly heard a male supervisor suggest that another colleague hire a prostitute to improve his mood, and other male employees joked about rape, court documents say.

The lawsuit paints a picture of a workplace in which harassment or discrimination is far from a one-off instance but, rather, where HR personnel and executives apparently knew about rampant misconduct but allegedly did nothing to prevent it from recurring. The suit alleges that an unnamed former chief technology officer at Activision “was observed by employees groping inebriated female employees at company events and was known for making hiring decisions based on female applicants’ looks,” as one example.

Schloetzer thinks it’s clear that shareholders will soon demand a “shakeup” among board directors and senior management. He points to Uber as an example of a company that faced similar allegations after reports became public of a toxic workplace rampant with allegations of harassment and misconduct throughout the organization “from top to bottom.”

Following an external investigation conducted by law firm Covington & Burling in 2017, Uber’s board was overhauled, and founder Travis Kalanick was ousted and replaced by former Expedia CEO Dara Khosrowshahi. Schloetzer expects the same will need to play out at Activision. “Shareholders are going to exert reasonable pressure to change the board in the first place, and then, a new board, in combination with external shareholders, would then launch a process of deciding who to remove throughout the organization,” he says.

“This is not a short-term fix here. This is something that will require significant attention over a period of months to get a new team in place in order to be able to address the internal cultural issues.”

CEO Bobby Kotick, who owns about 0.46% of the company’s outstanding shares, received total direct compensation of $154.6 million, according to the company’s latest proxy statement.
In addition to serving on the Activision board, Kotick has served on the board of directors for The Coca-Cola Company since 2012. “I wouldn’t be surprised if any interlocks like that dissolve rather quickly,” Schloetzer predicts.

Coca-Cola did not immediately respond for comment for this article.

Allegations of sexual misconduct have surfaced at other video game companies, like Paris-based Ubisoft, creator of Assassin’s Creed and Prince of Persia. Last year, executives, including the head of human resources, departed the publicly traded company following an internal investigation into allegations aired on social media accusing a group of male employees of harassment and abuse, as Agenda has reported.

**Inside Activision**

Activision calls the Department of Fair Employment and Housing’s complaint “inaccurate.”

“The picture the DFEH paints is not the Blizzard workplace of today,” Activision’s statement says.

The DFEH declined to comment for this article, stating it does not comment on ongoing investigations.

Activision details how “over the past several years” it has made “significant changes to address company culture and reflect more diversity within our leadership teams.” It also points to newly implemented channels for employees to report misconduct and says employees have long been required to undergo anti-harassment training.

As for claims of unfair pay within the company, Activision says it strives to pay all employees fairly for “equal or substantially similar work,” rewarding workers based on performance and requiring those involved in the compensation process to participate in “extensive anti-discrimination trainings.”

**Cher Scarlett**, who was a software engineer at Activision from 2015 to 2016, according to her LinkedIn page, tweeted on Wednesday that the lawsuit was “long overdue.”

“I would be hard-pressed to find someone that wasn’t witness to sex in the game lounges, coke in the bathrooms during a cube crawl, or a woman who wasn’t sexually harassed at least once,” Scarlett said in her post, adding that she is “so proud of these women” who filed the complaint.
Cube crawls, according to the lawsuit filed this week, refer to a practice by which male employees “drink copious amount of alcohol” and “crawl” through cubicles throughout the office, often engaging in inappropriate behavior toward their female colleagues, an allegedly common practice at Activision.

Another former employee, Lisa Ohanian, who worked as a production coordinator at Activision from 2012 to 2015, tweeted: “Next time I get asked why I’ve worked at 5 places in 10 years, I’m pointing out that over half of the game dev companies I’ve been have had literal exposés written about how particularly bad/problematic/toxic it is to work there.”

**Moving Forward**

The recent allegations in the lawsuit against Activision might be surprising to some, particularly since the rise of the MeToo movement began nearly four years ago. But Shea Holman, director of law and policy at The Purple Campaign, a nonprofit focused on ending sexual harassment in the workplace, says harassment continues to proliferate at many companies, particularly those in male-dominated industries.

“A workplace that’s more homogenous is generally more vulnerable to all forms of harassment, including sexual harassment,” says Holman.

Harassment is also more common in settings “where significant power differentials exist among the employees, which seemed to be the case here [at Activision],” she says.

Generally, she says that harassment prevention can start with hiring and promoting more women and individuals with marginalized identities. But this isn’t something that happens overnight.

Something that companies can do “right away” is create clear policies about what will or will not be tolerated in the workplace. If policies are in place, Holman recommends reviewing them or having outside consultants do so.

“Imprecision really is the enemy of creating a clear policy because people are going to interpret any vague or ambiguous language in a way that benefits them personally,” she says.
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