

Was it hate speech? When executives cause controversy

After Sequoia executive faces backlash for social media comments, experts discuss how to handle inflammatory, discriminatory comments by employees and leaders



L: Andrea Raso; R: Faisal Bhabha

By [Stacy Thomas](#)

Jul 15, 2025

[Share](#)

Sequoia Capital, one of the world’s most prominent venture capital firms, is under intense scrutiny after partner Shaun Maguire called New York mayoral candidate Zohran Mamdani an “Islamist” on social media.

The immediate backlash was swift and public: an open letter signed by hundreds of founders, investors, and tech workers demanded Sequoia take disciplinary action, while a counter-letter in support of Maguire has also gained traction.

For some experts the controversy highlights a critical question for Canadian employers and HR professionals: what should you do when employees—especially senior leaders—make controversial, hateful, or discriminatory statements online?

Constructive dismissal and the poisoned workplace

As Faisal Bhabha, associate professor at Osgoode Hall Law School in Toronto, explains, [statements made publicly](#) by heads of organizations can have sweeping effects on a company’s culture.

“The most poisonous workplaces are the ones where the highest echelons of authority are not only tolerating or turning a blind eye to the bad actions of those below them, but actually committing those actions, setting the culture,” says Bhabha.

“Because you can be absolutely sure now that McGuire has come this much out of the closet, if you want to call it that, in airing his ugly views, this is creating new license for everybody in that workplace who feels the same to feel a little bit more comfortable, even if they feel a few percentage points more comfortable, to air their ugliness and to direct some of that at their co-workers.”

Shaun Maguire

@shaunmmaguire · Follow

X

Mamdani comes from a culture that lies about everything
It’s literally a virtue to lie if it advances his Islamist agenda
The West will learn this lesson the hard way

10:00 AM · Jul 4, 2025

15.2K

Reply

Copy link

Read 2K replies

The discrimination doesn’t even have to be conscious, Bhabha adds, pointing out how unconscious bias can [insidiously change the tone](#) of an organization.

“They may not even notice it,” he says.

“We know that workplaces are driven by all sorts of unconscious behavior. It's going to ingrain itself into people's unconsciousness's and influence conduct, and it's going to quite likely lead to increasingly poisonous workplaces for members of particular identity groups.”

Off-duty conduct and the employer's right to reputation

As Andrea Raso, employment lawyer with Clark Wilson in Vancouver, explains, when employees – not only senior leaders – make discriminatory or hateful statements, the legal risks extend beyond public relations and into the courtroom if employees bring discrimination suits against them.

Employers will need to show more than anecdotal evidence to prove an employee's statements have caused harm.

“Unless you're living under a rock, you should really be very careful and sensitive of what you say and what positions you put out there,” Raso says.

“When companies or clients or customers or suppliers start saying, ‘I don't want to work with this company anymore,’ then it gives the employer a stronger ability to say, ‘Yes, we have been harmed reputationally, because we've lost ABCD client.’”

The test for showing actual harm to the organization due to off duty conduct has long been the same, Raso adds – it's the world around it that has changed, leading to shifting employment law as employees become more and more visible – and accountable.

“Off-duty conduct has always been an issue that employers have had to grapple with ... and the law in this area hasn't really changed,” says Raso.

“It's just been more prevalent now because of the rise of social media, but the test is still the same: what is the impact of that off duty conduct on the workplace?”

Hate speech online and constructive dismissal

[Discriminatory or hateful comments](#)—even if made off duty—can trigger complaints of harassment, discrimination, or a poisoned work environment. Zack Lebane of Sherrard Kuzz in Toronto explains that legal outcomes of these claims depend largely on the particulars of each case.

“Comments from a senior leader perceived to be discriminatory, or hate speech, even if made off duty, may lead to an employee making a complaint of harassment, discrimination or a poisoned work environment,” Lebane says.

“The employee may make a claim against the leader directly but will often also name the employer as a respondent. Whether the claim will be successful depends on the comments themselves, the connection ... to the workplace, the impact on any employee, and the steps the employer takes to address any discrimination.”



Photo: Zack Lebane. Submitted.

Employees can also claim constructive dismissal, explains Bhabha, if an employee feels their working conditions have become intolerable due to discriminatory conduct.

“In a case like this, the argument would be ‘The employer, by his hateful or discriminatory comments and his failure to retract them or to do anything about them, and the inability for anybody in the workplace to do anything about it, has made the conditions of my employment impossible for me to continue,’” Bhabha says.

“Essentially, the employer has so dramatically changed the conditions of my employment, such that I can no longer feel safe in the workplace, that this isn’t the contract that I signed up for.”

Social media policies and senior leadership

HR should consider implementing or updating social media and public commentary policies, Lebane says. Policies are essential to use as guideposts, because online commentary is rarely cut-and-dry.

“Unsurprisingly, there is no bright line list of what comments are and are not discriminatory,” he says. “In some cases, it may be obvious; in other cases, there may be differing perceptions about whether comments are discriminatory.”

Beyond policies, Raso stresses that allegations against employees must also involve deep investigation into the nuanced context and impact of the statements. The default can not be termination.

“Just because an employee says something that is offensive or not in keeping [with their values and culture](#) can’t mean an automatic dismissal,” she says.

“It has to be a much deeper analysis into who that person is. Can they harm the company? Did they harm the company? All those sorts of questions have to be asked.”

Employee hotlines: proactive or problematic?

In the wake of high-profile controversies like the Sequoia Capital incident, many organizations are considering the implementation of employee hotlines as a means to address and report discriminatory or inappropriate conduct.

The [open letter demanding action](#) from Sequoia specifically called for “the creation of a hotline for reporting discriminatory behavior,” underscoring the growing expectation that employers provide clear, accessible channels for employees to raise concerns.

Raso emphasizes the importance of having mechanisms in place for employees to report off-duty conduct that may impact the workplace; hotlines can be helpful, she says, but they must be used carefully.

“The problem with hotlines is that they are anonymous,” she says.

“There to be a proper, legally sound investigation. The person who's been claimed against has a right to know who's making the claim against them.”

Hotlines become problematic, Raso explains, because employees might not understand that anonymity is not a guaranteed right when they make complaints against misconduct in the workplace.

For this reason, employers should have policies precisely outlining this fact when instituting “anonymous” hotlines.

“A lot of employers think that this hotline is a great idea. I've had number of number of clients saying that they want to institute it,” Raso says.

“What I say is be very careful, because you might send the impression that people can come forward with complaints that have bad behavior against them and that they can remain anonymous, and that is not the case in the law.”