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# Business Success and Growth Through LGBT— Inclusive Culture

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U.S. Chamber of Commerce Foundation



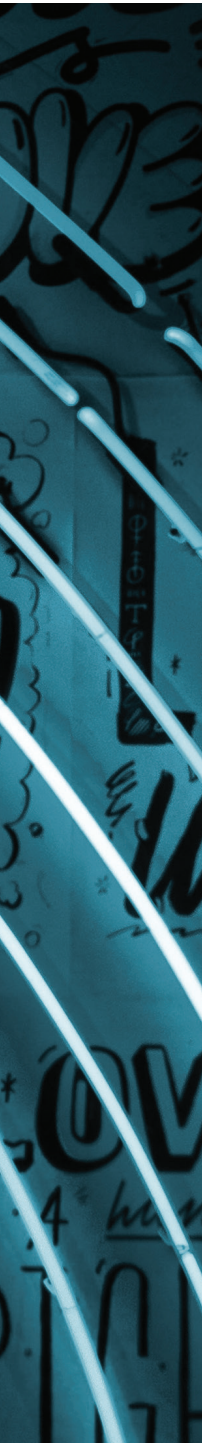
U.S. CHAMBER OF COMMERCE FOUNDATION



BUSINESS SUCCESS AND GROWTH THROUGH LGBT-INCLUSIVE CULTURE

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// Authentic inclusionary efforts are crucial  
to a successful corporate culture

## BUSINESS SUCCESS AND GROWTH THROUGH LGBT—INCLUSIVE CULTURE

# Executive Summary

*Promoting a diverse and inclusive workforce is good for business.*

Previous studies have shown the positive impact of LGBT-inclusive practices on a company's bottom line and its ability to attract and retain talent. Companies that adopt LGBT-inclusive practices tend to improve their financial standing, and do better than companies that do not adopt them.<sup>1</sup> Additionally, employees, regardless of their sexual orientation or gender identity, express greater job satisfaction at companies where these practices are in place.<sup>2</sup>

To attract and retain talent, 80% of the respondents in a 2017 Deloitte study on diversity and inclusion said that inclusion is an important factor in choosing an employer, and 72% said they would leave an organization for one they believe is more inclusive.<sup>3</sup> From small, private companies to multinational, publicly owned corporations, fostering a culture that leverages acceptance and growth of all employees is important to recruiting and retaining talent.

Additionally, studies show when companies formalize their inclusive workplace practices, they improve their financial standing in both real terms and compared with their industry peers. One

study found that company stock performance, compared to their industry sector, increased by an average 6.5 percentage points after engaging the policies.<sup>4</sup> Most large companies know this—91% of Fortune 500 companies include sexual orientation in their nondiscrimination policies, and 83% include gender identity as well.<sup>5</sup>

Tactics such as nondiscrimination policies and employee resource groups help ensure that a company is lesbian, gay, bisexual, and transgender (LGBT) inclusive and bring that positive return on investment (ROI). However, despite the financial-focused success of such business tactics, nearly one-half of LGBT Americans remain closeted in the workplace.<sup>6</sup> In more than half of all U.S. states, state law does not explicitly prohibit employment discrimination based on sexual orientation and gender identity. This means that being out as an LGBT individual at work in those states may be grounds for dismissal.<sup>7</sup>

Regardless of where they live, many employees are not public about being an LGBT person largely because they fear social or cultural repercussions. Even in places that bar discrimination, there are

- 1 John N. Roberts and Cristian A. Landa, "Return on Equality, the Real ROE: The Shareholder Case for LGBT Workplace Equality", Denver, CO: Denver Investments, 2015. <http://www.lmalloyds.com/CMDownload.aspx?ContentKey=f604124c-3411-4717-b03e-965bb4e9ee39&ContentItemKey=76fbec6d-cf0b-4de7-88d1-245bd001138b>
- 2 M.V. Lee Badgett, Laura E. Durso, Angeliki Kastanis, and Christy Mallory, "The Business Impact of LGBT-Supportive Workplace Policies", Los Angeles, CA: The Williams Institute, UCLA School of Law, 2013. <https://williamsinstitute.law.ucla.edu/wp-content/uploads/Business-Impact-of-LGBT-Policies-May-2013.pdf>
- 3 Deloitte, "Seventy-Two Percent of Working Americans Surveyed Would or May Consider Leaving an Organization for One They Think is More Inclusive, Deloitte Poll Finds," news release, June 7, 2017. <https://www2.deloitte.com/us/en/pages/about-deloitte/articles/press-releases/inclusion-survey.html>
- 4 John N. Roberts and Cristian A. Landa, "Return on Equality, the Real ROE: The Shareholder Case for LGBT Workplace Equality", Denver, CO: Denver Investments, 2015. <http://www.lmalloyds.com/CMDownload.aspx?ContentKey=f604124c-3411-4717-b03e-965bb4e9ee39&ContentItemKey=76fbec6d-cf0b-4de7-88d1-245bd001138b>
- 5 Human Rights Campaign, "Corporate Equality Index" 2018, Washington, DC, 2018. <https://assets2.hrc.org/files/assets/resources/CEI-2018-FullReport.pdf>
- 6 Human Rights Campaign, "A Workplace Divided: Understanding the Climate for LGBTQ Workers Nationwide", Washington, DC, 2018. <https://assets2.hrc.org/files/assets/resources/AWorkplaceDivided-2018.pdf>
- 7 Movement Advancement Project, "Non-Discrimination Laws," accessed January 8, 2019. [http://www.lgbtmap.org/equality-maps/non\\_discrimination\\_laws](http://www.lgbtmap.org/equality-maps/non_discrimination_laws)





# 72%

of full-time employees said they would leave an organization for one they thought was more inclusive.<sup>3</sup>

*Regardless of where they live, many employees are not public about being an LGBT person largely because they fear social or cultural repercussions*



*The impacts and changes on organizational culture are not as well understood as the impacts on business outcomes.*

non-economic reasons that LGBT individuals choose to not be out at work. One study suggests that less structured support from management and coworkers and a receptive environment are both crucial to leveraging the economic benefits of LGBT-inclusive policies.<sup>8</sup> Even though LGBT-inclusive practices benefit companies, they are not necessarily bringing about the cultural change that make work environments more inclusive and accepting.<sup>9</sup>

While there is already research demonstrating the benefits of LGBT-inclusive policies on a company's employees and its bottom line, the impacts and changes on organizational culture are not as well understood. Additionally, a better understanding of *how* LGBT-inclusive strategies result in those positive impacts is a key gap to fill to facilitate adoption of these practices among a broader range of companies.

Given the real benefits from successful implementation of LGBT-inclusive workplace practices, the U.S. Chamber of Commerce Foundation (USCCF) Corporate Citizenship Center, with support from the Gill Foundation, is examining the motivations and structure surrounding the adoption of LGBT-inclusive practices.

<sup>8</sup> Ann H. Huffman, Kirstin M. Watrous-Rodriguez, and Eden B. King, "Supporting a Diverse Workforce: What Type of Support is Most Meaningful for Lesbian and Gay Employees?" *Human Resource Management*, Summer 2008, Vol 47, No. 2 <https://onlinelibrary.wiley.com/doi/abs/10.1002/hrm.20210>

<sup>9</sup> For the purpose of this research, "LGBT-inclusive practices" are defined as workplace policies or activities to encourage LGBT employee recruitment, retention, and leadership development.



By undertaking a review of employers to assess the characteristics of companies engaging in LGBT-inclusive practices, this report shares best practices for implementing inclusive policies and programs and documents the benefits that companies experience when they adopt such actions.

**Findings from this research report, which summarizes the quantitative and qualitative data from company respondents, expand upon the following points:**

- » Almost all the companies involved in the research for this report have formal policies for nondiscrimination and equal benefits coverage, but there are additional LGBT-inclusive practices that companies implement. These include LGBT awareness training, inclusive management strategies and metrics, and expanding the definition of family leave to include broader needs of LGBT, and all, employees.
- » Companies embrace LGBT inclusion to attract the best talent. In turn, companies are better able to engage and retain LGBT employees and cultivate strong partnerships with community organizations, external organizations, and employee groups.
- » Most companies house the management of LGBT-inclusive practices inside their diversity and inclusion or human resource departments. Incorporating government affairs, community engagement, and employee resource groups can increase the success of these practices.
- » To communicate their LGBT-inclusive practices internally and externally, companies need a formal communication process around those practices. This structure accelerates response time and improves their ability to communicate to employees while drastically improving the authenticity of the company's external LGBT efforts.
- » That authenticity is reinforced by companies supporting the LGBT community outside of their workforce. Companies shared that this support can come publicly, including writing op-eds and articles that highlight the need for state/local LGBT protections; or participating in local activities such as cultural events, fundraisers, and public education efforts that highlight the benefit of LGBT inclusion. They also shared that it can also come privately, including educating individual policymakers on the positive benefits of LGBT inclusion or making a business decision to avoid a community that will not reconsider anti-LGBT policies.

This report is part of a broader USCCF and Gill Foundation partnership called *Inclusion Incorporated* (<https://www.uschamberfoundation.org/inclusion-incorporated>), which includes regional forums and other forms of outreach efforts. The goal of this partnership is to curate materials and resources to strengthen LGBT-inclusive practices throughout the private sector and discuss ways to help businesses sharpen both internal and external LGBT policies and programs.



## BUSINESS SUCCESS AND GROWTH THROUGH LGBT—INCLUSIVE CULTURE

# Background

*Diversity and inclusion in the workplace are crucial for business success and employee satisfaction.*

Research shows that diverse workplace teams solve problems more quickly,<sup>10</sup> and companies with diverse senior-level teams are more financially successful.<sup>11</sup>

Moreover, employees value and seek diverse and inclusive workplaces. In a 2017 national survey by Deloitte, 80% of respondents said that inclusion is an important factor in choosing an employer, and 72% said they would leave an organization for one they thought was more inclusive.<sup>12</sup>

While gender and racial diversity has been the dominant focus of business inclusion in the past, the acceptance of lesbian, gay, bisexual, and transgender (LGBT) employees is a growing part of workplace initiatives. In 2016, 4.1% of the U.S. population—or roughly 10 million adults—identified as LGBT,<sup>13</sup> which translates to an estimated 6.3 million employed LGBT individuals that year.<sup>14</sup>

There is no federal law that explicitly protects LGBT people from discrimination, and there is an inconsistent patchwork of legal protections that vary across the states. For example, two federal appeals courts have found that Title VII of the Civil Rights Act of 1964 prohibits discrimination based on sexual orientation – but another federal appeals court issued an opposite citation. Given this murky landscape, voluntary employer nondiscrimination policies play a critical role in fostering inclusive and productive workplace environments.<sup>15</sup>

## 80%

of respondents said that inclusion is an important factor in choosing an employer.<sup>12</sup>

## 72%

said they would leave an organization for one they thought was more inclusive.<sup>12</sup>

## 4.1%

of the U.S. population—or roughly 10 million adults—identified as LGBT in 2016.<sup>13</sup>

10 Alison Reynolds and David Lewis, "Teams Solve Problems Faster When They're More Cognitively Diverse," *Harvard Business Review*, March 30, 2017. <https://hbr.org/2017/03/teams-solve-problems-faster-when-theyre-more-cognitively-diverse>

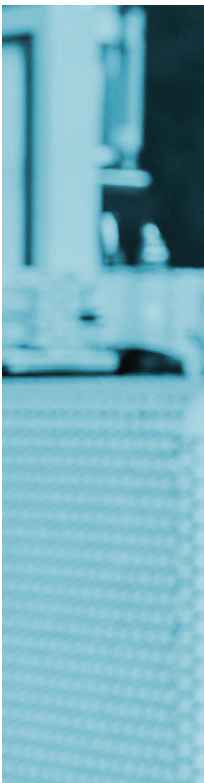
11 Thomas Barta, Markus Kleiner, and Timo Neumann, "Is there a payoff from top-team diversity?" *McKinsey Quarterly*, April 2012. <https://www.mckinsey.com/business-functions/organization/our-insights/is-there-a-payoff-from-top-team-diversity>

12 Deloitte, "Seventy-Two Percent of Working Americans Surveyed Would or May Consider Leaving an Organization for One They Think is More Inclusive, Deloitte Poll Finds."

13 Gary J. Gates, "In U.S., More Adults Identifying as LGBT," *Gallup News*, January 11, 2017. <http://news.gallup.com/poll/201731/lgbt-identification-rises.aspx>

14 Since the U.S. does not collect information on the number of employed LGBT individuals and employers are not required to collect statistics on the number of LGBT people they employ, the number of LGBT workers in the U.S. is unknown. However, if we assume that LGBT individuals were employed at the same rate as other Americans in 2016 (62.7% of Americans were employed at the end of that year per the U.S. Bureau of Labor Statistics), this would translate to an estimated 6.3 million employed LGBT individuals in the U.S.

15 J. Dalton Courson, "Circuits Split on Interpretations of Title VII and Sexual-Orientation-Based Claims," *American Bar Association*, March 19, 2018. <https://www.americanbar.org/groups/litigation/committees/civil-rights/practice/2018/circuits-split-on-interpretations-of-title-vii-and-sexual-orientation-based-claims/>





At the state level, 20 states, and Washington, D.C., have explicit protections against discrimination on the basis of sexual orientation and/or gender identity, which legally guards LGBT employees from being fired or discriminated against in the workplace.<sup>16</sup>

Despite the fact that fewer than half of the states have nondiscrimination laws protecting LGBT people, 71% of Americans approve of laws that would protect them from discrimination.<sup>17</sup>



Further, states that adopt legal protections for LGBT individuals can benefit businesses based in those places. Research highlighted in the *Harvard Business Review* on thousands of U.S. public firms actively filing patents found that the adoption of LGBT employee nondiscrimination policies led to significant increases in innovation output. In particular, firms based in states that passed LGBT employee nondiscrimination policies had an 8% increase in the number of patents and an 11% increase in the number of patent citations compared with similar firms in states that did not pass such laws.<sup>18</sup>

<sup>16</sup> Freedom for All Americans, <https://www.freedomforallamericans.org/states/>

<sup>17</sup> Alex Vandermaas-Peeler, Daniel Cox, Maxine Najle, and Molly Fisch-Friedman, "Wedding Cakes, Same-Sex Marriage, and the Future of LGBT Rights in America," Public Religion Research Institute (PRRI), August 02, 2018. <https://www.prii.org/research/wedding-cakes-same-sex-lgbt-marriage/>

<sup>18</sup> Huasheng Gao and Wei Zhang, "Non-Discrimination Laws Make U.S. States More Innovative," *Harvard Business Review*, August 17, 2016. <https://hbr.org/2016/08/non-discrimination-laws-make-us-states-more-innovative>



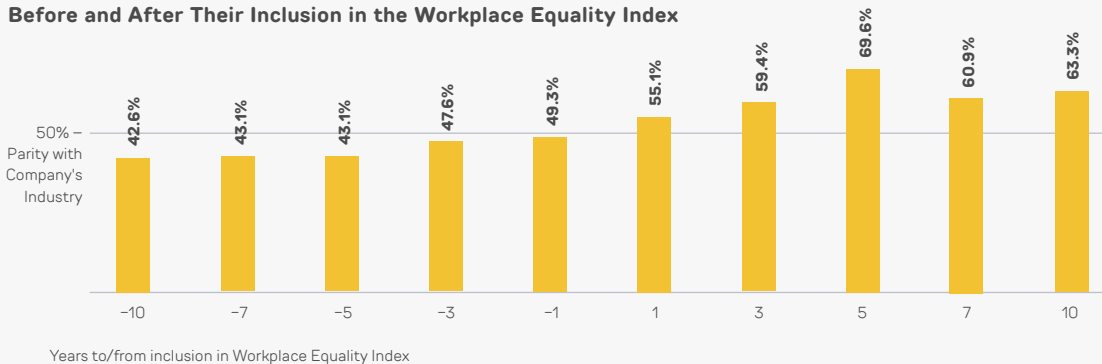
## LGBT-Inclusive Policies in the Workplace

The business community has made great strides in supporting nondiscrimination protections for LGBT people in the workplace. In 2017, 91% of Fortune 500 companies had sexual orientation included in their nondiscrimination policies, and 83% had gender identity as well.<sup>19</sup>

Businesses that adopt LGBT-inclusive practices profit financially as a result of their actions. One study found that companies that had LGBT-inclusive practices improved their own financial performance and outperformed their respective sectors within 5 to 10 years after adopting such workplace practices.<sup>20</sup>

The chart below shows the impact on stock prices of companies that meet Denver Investment's Workplace Equality Index—determined by criteria that show its support for LGBT employees and culture. Among companies in that index with at least 14 years of historical data, each company's stock usually performed worse, compared to its Global Industrial Classification (GICS) industry, before its inclusion into the Index. After the company's inclusion, company stocks outperformed its industry peers.

**The Percentage of Companies that Beat their Sector Benchmark Before and After Their Inclusion in the Workplace Equality Index**



LGBT-inclusive practices also benefit businesses through their employees' satisfaction and well-being. Workplaces with LGBT-inclusive practices see less discrimination against LGBT employees. LGBT employees are more likely to be open about their sexual orientation and gender identity in work environments with inclusive practices. Consequently, low levels of workplace discrimination and more openness about one's sexual orientation and gender identity are linked to greater job devotion, improved workplace relationships, increased job satisfaction, improved health outcomes, and increased productivity among LGBT employees.<sup>21</sup>

Conversely, not having LGBT-inclusive practices can be detrimental to businesses' ROI on human capital and overall employee well-being. Forty percent of LGBT employees report being bullied at work, and 41% of LGBT employees have left a job because they have felt bullied.<sup>22</sup> Reduced levels of openness also negatively impact an LGBT employee's future—studies show that LGBT individuals who are not out at work are less likely to be promoted than if they were.<sup>23</sup>

19 Human Rights Campaign, Corporate Equality Index 2018.

20 John N. Roberts and Cristian A. Landa, "Return on Equality, the Real ROE: The Shareholder Case for LGBT Workplace Equality," Denver, CO: Denver Investments, 2015.

21 M.V. Lee Badgett, Laura E. Durso, Angeliki Kastanis, and Christy Mallory, "The Business Impact of LGBT-Supportive Workplace Policies."

22 Career Builder, "Two in Five LGBT Workers Feel Bullied at Work, According to Recent CareerBuilder Survey," news release, October 19, 2017. <http://press.career-builder.com/2017-10-19-Two-in-Five-LGBT-Workers-Feel-Bullied-at-Work-According-to-Recent-CareerBuilder-Survey>

23 Sylvia Ann Hewlett and Karen Sumberg, "For LGBT Workers, Being 'Out' Brings Advantages," *Harvard Business Review*, July-August, 2011. <https://hbr.org/2011/07/for-lgbt-workers-being-out-brings-advantages>



*Understanding the “whys” of LGBT-inclusive practices are less impactful if companies do not understand the “hows.”*

### **New Research Direction**

Although the body of literature concerning LGBT inclusion in the workplace has grown considerably, a dearth of research exists in certain areas. Collecting data on LGBT employees has been difficult because many companies do not want to invade their employee’s privacy. Some employees may not be comfortable sharing their sexual orientation or their gender identity regardless of the inclusiveness of the corporate or community culture. This means that evaluations of programming on the micro-level can be limited. Some aspects of LGBT inclusion are also seen as competitive advantages between companies, limiting the public availability of those data collection efforts.

Even without revolutionizing the study of employee demographics, a new direction of research can illuminate two topics that deserve further study—what leads a business to adopt LGBT-inclusive policies, and what impact do those policies have on corporate culture. Research like this is essential to evaluate the effectiveness of tactics to incorporate LGBT employees and the community more completely into corporate culture and show the private sector the value of endorsing these practices. Understanding the “whys” of LGBT-inclusive practices are less impactful if companies do not understand the “hows.”



The goal of this research is to educate the public and business communities beyond the body of knowledge that already proves the economic- and individual-based benefits of LGBT inclusion. This report accomplishes that by offering insights on why LGBT-inclusive practices have a positive influence on corporate culture and how companies have successfully leveraged and benefited from those benefits. To do so, the research assesses companies’ LGBT-inclusive practices and identifies best practices to help companies better engage employees and communities to strengthen their organizations.

This report covers those organizational benefits by examining the composition and rationale of a company’s internal LGBT-inclusive practices. By investigating how companies engage in those practices, this report highlights how companies enjoy stronger and more resilient employee engagement.

Changing and impacting corporate culture does not end within a company’s walls. How that culture manifests itself publicly is as important as how it manifests internally. The second part of this report analyzes how companies frame their commitment to LGBT inclusion and how they become involved in the communities where they are located. In addition to gaining strength as an organization by engaging their employees, companies improve their capacity to improve their standing with external stakeholders. When a company matches its public and private positions on LGBT inclusion, it demonstrates its authenticity about LGBT inclusion—a key criteria for how internal and external stakeholders view a company’s efforts.



*“You can’t just speak about LGBT inclusion; you have to look at your actions.”*

*Corporate Research Participant*





BUSINESS SUCCESS AND GROWTH THROUGH LGBT-INCLUSIVE CULTURE

# Methodology

*Between July and November 2018, USCCF conducted three different methods to gather information regarding companies' LGBT-inclusive practices, challenges, and lessons learned:*



41

completed online surveys



12

phone interviews<sup>24</sup>



3

dinner-style focus groups held in Phoenix, New York City, and Atlanta with executives who focused on LGBT issues in their respective companies either through an LGBT-specific role or through a broader role in diversity and inclusion, human resources, or C-Suite

Over 90% of the 48 companies we surveyed or interviewed (five companies completed both) have 5,000 or more employees in a variety of regions and industries. Including focus groups, we collected information and insights from 70 companies. Unless otherwise noted, insights and findings are from the information company respondents shared.

<sup>24</sup> All of the quantitative results in this report include the responses of both survey and interview respondents.



BUSINESS SUCCESS AND GROWTH THROUGH LGBT—INCLUSIVE CULTURE

# Internal Company LGBT-Inclusive Practices

- » LGBT workplace issues are important to companies. Our research shows that 91% of business respondents have LGBT-inclusive practices for their employees.
- » Companies support their LGBT employees in numerous ways, including providing same-sex benefits coverage and establishing written statements barring discrimination based on sexual orientation. Less common, but innovative, ways of demonstrating employee support include offering paid family leave, tax equalization, and the reimbursement of fertility treatment.
- » Respondents most frequently cite human resources as the operational department that carries out company LGBT-inclusive practices. However, companies may have governing bodies like employee resource groups or LGBT advisory committees that provide additional understanding of LGBT workplace issues.
- » Although respondents report that they frequently leverage LGBT-inclusive practices to retain current employees, attract job candidates, and expand company diversity initiatives, many say that it is simply **“the right thing to do.”**
- » Companies reap myriad benefits from their LGBT-inclusive practices, including more engaged employees, and a better ability to collect data on current or potential LGBT talents. However, some companies have also experienced internal pushback from stakeholders that are not as supportive of their LGBT-inclusive efforts.
- » Companies have gained insights from their LGBT-inclusive practices, including learning about the importance of cultivating relationships with LGBT employees, understanding how LGBT employees are critical to access LGBT business market segments, and promoting internal discussion to help employees understand the benefits of companies’ LGBT-inclusive practices.

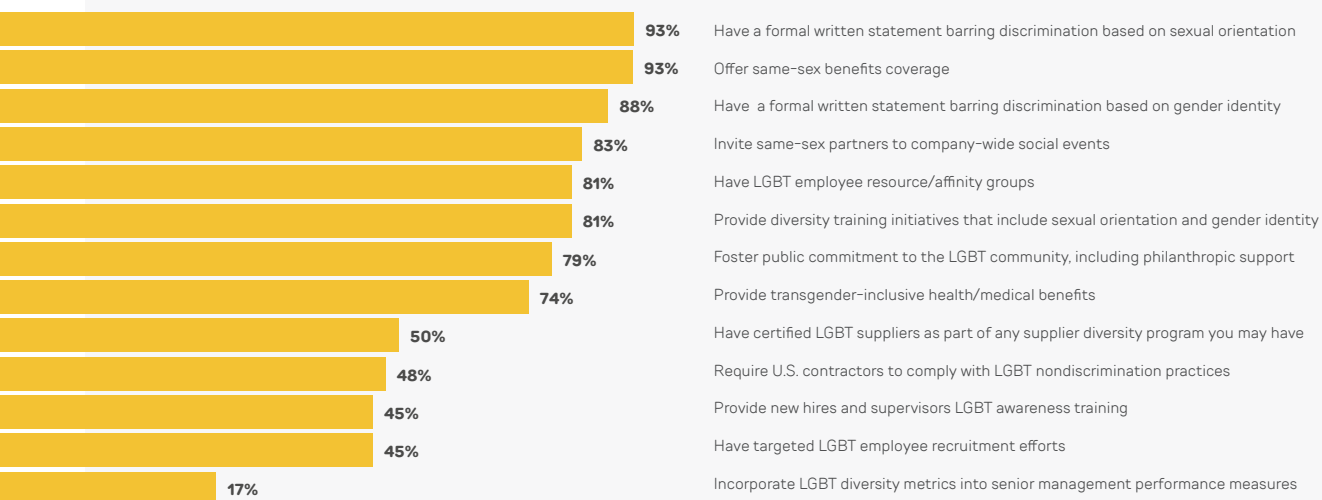
To explore the factors that have inspired companies to adopt LGBT-inclusive practices and assess the characteristics of companies that engage in them, this section of the report examines the internal functions of LGBT-inclusive practices.

Covered here are the types of practices implemented, how these practices are carried out, outcomes from the implementation of LGBT-inclusive practices, and lessons learned from company experiences.

*“Hope is not a strategy; action is a strategy.”*

*Corporate Research Participant*

## Types of LGBT-Inclusive Practices Conducted by Companies



## INTERNAL COMPANY LGBT-INCLUSIVE PRACTICES

## Types of Practices Implemented

*Taking the first step in administering LGBT-inclusive practices can be daunting for a company, which must weigh the desires and competing interests of its employees, customers, and shareholders.*

Nearly all the companies in this research have taken that first step, and LGBT workplace inclusion across the entire private sector is becoming more common. Ninety-one percent of respondents state that they have LGBT-inclusive practices for their employees.

Companies with LGBT-inclusive practices integrate them into their company policies and programs in a variety of ways. Almost all (93%) of the companies that have LGBT-inclusive practices offer same-sex benefits coverage and have a formal written statement barring discrimination based on sexual orientation.<sup>25</sup> Other common forms of LGBT workplace inclusion are having a formal written statement barring discrimination based on gender identity, inviting same-sex partners to companywide social events, and having LGBT employee resource or affinity groups.

Beyond the LGBT-inclusive practices examined in this research, participating companies also reference other less common but increasingly innovative means to create a more welcoming workplace for LGBT employees. Some of these novel practices—and companies executing them—are highlighted here:

- » **Guidelines on Transitioning Employees.** The process of transitioning from one sex to another can be challenging for an employee on a personal level, but workplaces may not be adequately equipped to assist transitioning employees, along with their managers and colleagues. Companies, therefore, have begun to put guidelines in place to help their workforces make the transition process smooth. United Airlines (United) and The Dow Chemical Company (Dow) have internal guides for transitioning employees and their managers, providing them with insight on the workplace transition process and how to better understand and relate to transitioning employees. Similarly, other companies have trained their human resources staff to better support employees as they transition.
- » **Paid Family Leave and Tax Equalization.** Many companies have broadened the definition of “family leave” to mean more than just the maternity leave for a woman after a birth. Understanding that the time required to tend to a family’s growth or changes means different things to different individuals allows companies to be inclusive of its entire workforce, including LGBT employees. In addition, LGBT employees at some companies

*“Increasingly, employees are judging companies by what they do, not what they say.”*

*Johnny Taylor,  
President & CEO, Society for  
Human Resources Management  
2018 USCCF Corporate  
Citizenship Conference*

receive tax equalization, a company reimbursement to LGBT employees for additional federal and state taxes they pay on same-sex domestic partners or spouses medical benefits. One company respondent offers paid family leave and tax equalization for those employees who cover a domestic partner or same-sex spouse under their health insurance. Another company also provides tax equalization for both same-sex and opposite-sex couples who have domestic partnerships on medical benefits.

- » **Reimbursement of Fertility Treatment.** Companies are now open to offering fertility benefits to same-sex couples. Some business consulting firms provide fertility treatment reimbursement where participating employees are compensated for a portion of the fertility treatments they pursue. PricewaterhouseCoopers (PwC) also reimburses for surrogacy, which permits same-sex couples to have a child through a third party.
- » **Voluntary Self-Identification.** Voluntary self-identification is important to track outcomes of LGBT-specific policies and practices, but many companies are wary of how to engage an employee’s private life for tracking purposes. Since 2006, IBM has implemented a program called voluntary self-identification. Employees can voluntarily identify as a member of the LGBT community through IBM’s human resources system. IBM’s voluntary self-identification feature is available in countries that contain approximately 87% of IBM’s global workforce. It has not been enabled in certain countries based on local requirements.
- » **Non-Retaliation Policy.** Booz Allen Hamilton (Booz Allen) has a non-retaliation policy that permits employees to come forward without fear of retribution in instances of potential discrimination. This policy applies to both onsite and off-site employees who work directly with clients. Booz Allen holds discussions with clients if their employees have issues while on client sites. Investigations of ethics complaints are handled in the same way for onsite and off-site complaints, and the company works to remediate those complaints. In this way, LGBT employees can feel secure in their jobs knowing that they can report discrimination and be assured that the company will investigate their claims fairly.

<sup>25</sup> For interview respondents, interviewers asked about sexual orientation and gender identity as a combined question. For these results, it is assumed that interview respondents have policies on both sexual orientation and gender identity.



## INTERNAL COMPANY LGBT-INCLUSIVE PRACTICES

## The Origin of Company LGBT-Inclusive Practices

*Once a company has decided that it wants to administer LGBT-inclusive practices, it needs to determine which practice to implement first.*

From a company governance perspective, instituting a policy like nondiscrimination enables employees to feel more secure by prohibiting behaviors limiting their acceptance in the workplace. This also offers the beginning of a platform to establish broader inclusive practices.

Since diversity and inclusion issues are typically handled by human resources, companies may feel more comfortable starting with same-sex medical and other benefits instead. This way they can lean on the equality aspects of the decision. At the same time, these types of benefits are measurable and have immediate economic value, which can help not only LGBT employees but their families too.

When asked how their LGBT-inclusive practices originated, companies typically cited a written statement barring discrimination based on sexual orientation (56%), employee resource and affinity groups (22%) or the adoption of same-sex benefits coverage (19%), as the next most common LGBT-inclusive workplace practices initially implemented by companies.

Some companies report that they started with nondiscrimination policies as part of a broader initiative in company diversity and inclusion. AT&T became one of the first major American corporations to adopt a policy prohibiting discrimination against employees based on sexual orientation in 1975, and IBM included sexual orientation as part of its global nondiscrimination policy in 1984. During this time period, when civil rights focused on race and gender, global nondiscrimination policies were the standard way to address these issues for all groups.

Employee resource and affinity groups are workplace groups composed of employees who have common characteristics or life experiences. These groups provide support and can help enhance career and personal development among their employees. For LGBT employee resource and affinity groups, the decision to create them has typically come from senior management. Sometimes, the impetus for such a group's creation has been prompted by a more grassroots recognition that a company had LGBT issues to address. Dow's GLAD organization for LGBT and ally employees, for example, started in 2000 when five Texas employees saw LGBT discrimination at their worksite and reported it to the company CEO. Upon hearing of the incident, the CEO decided that an LGBT employee resource group was needed and thus GLAD was formally founded.

# 56%

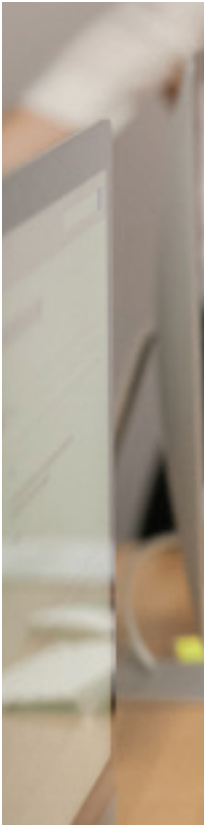
of companies started their LGBT-inclusive practices with a written statement barring discrimination based on sexual orientation

# 22%

of companies started with employee resource groups

# 19%

of companies started with the adoption of same-sex benefits coverage





*Since diversity and inclusion issues are typically handled by human resources, companies may feel comfortable starting inclusionary policies with same-sex medical and other benefits.*



No matter where or how companies first implemented LGBT-inclusive practices, the most common impetus was the need to solve an issue. For some, it was incorporating LGBT rights into legal policies required to ensure race and gender equity in the workplace. For others, these policies addressed specific needs from their LGBT staff. A common theme of all these initiatives is that they are evolutionary; though LGBT-inclusive practices do not need to be comprehensive at the beginning, they do need the capacity to grow with the needs of the organizations and their employees.



## INTERNAL COMPANY LGBT-INCLUSIVE PRACTICES

## Internal Structure of LGBT-Inclusive Practices

*The placement of departmental responsibility for LGBT-inclusive practices within a company can depend on a myriad of factors.*

Given that larger companies have greater numbers of staff and resources, they are more likely to have company departments dedicated to diversity and inclusion or corporate social responsibility (CSR), which may not exist in small- and medium-sized enterprises (SMEs). Responsibility for these practices may also vary by industry or the location of a company's headquarters, where industry or cultural norms may influence corporate structuring.

# 69%

of the respondents report that LGBT workplace inclusion activities are carried out by their human resource departments

For this research, 69% of the respondents report that LGBT workplace inclusion activities are carried out by their human resource departments. Twenty-six percent of companies say that these practices are executed by the diversity and inclusion department.

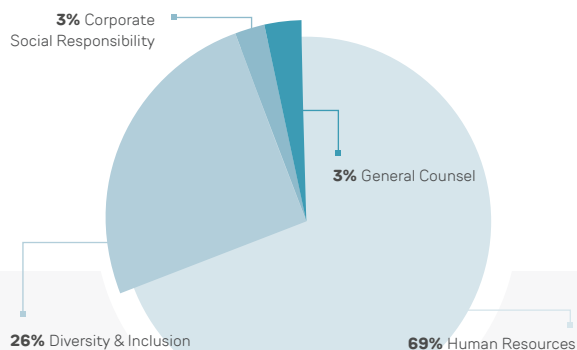
# 26%

of companies say that these practices are executed by the diversity and inclusion department.

Besides the department in charge of LGBT-inclusive practices, several companies have governing bodies that provide insight and direction to senior management on LGBT issues in the workplace. GSK has a global council of senior leaders in the company who have oversight of LGBT policies and activities in the company. This global council also supports GSK's global LGBT employee resource group, called Spectrum, which has member employees in 32 countries worldwide. The global council has undertaken activities like communicating GSK's stance on LGBT issues externally by supporting the United Nations' LGBTI (LGBT and intersex) standards of conduct for business and in country partnering with GSK's government affairs teams to better advocate on domestic LGBT issues politically.

IBM's LGBT Diversity Business Development Team, launched in 2001, has evolved into a global customer-facing group that partners with IBM's sales communities to generate business value for IBM clients in 40 markets. The team has earned a reputation for being an effective competitive differentiator in its ability to share best practices with customers, leverage its longstanding partnerships with NGOs to access decision makers, and offer diversity and inclusion workshops and commercialized assets. The chair of the team also reports directly to the company CEO to make certain that leadership hears about LGBT issues at the company.

Internal governing bodies that input LGBT-inclusive practices at companies can also be created within SMEs. A council may just include the CEO, the head of human resources, other senior management personnel if desired, and an employee representative. Through collaboration from diverse perspectives, more relevant LGBT-inclusive practices can be established to improve employee satisfaction while adding to a company's ROI.



**Where Companies Place LGBT-Inclusive Practices**

INTERNAL COMPANY LGBT-INCLUSIVE PRACTICES

# Companywide Implementation of LGBT-Inclusive Practices

*Laws and culture concerning the acceptance of LGBT people and issues vary by community, state, and country.*

Laws and culture concerning the acceptance of LGBT people and issues vary by community, state, and country. For our respondents with a presence in multiple locations to navigate these differences, they reported having to balance not only their overall stance on LGBT issues but be attuned to policies and customs regarding LGBT rights where they operate.

Company respondents implement as many of their LGBT-inclusive practices as they can across locations while abiding by local laws, regulations, and customs. Companies routinely have a companywide policy of inclusion—regardless of local or country differences in LGBT rights. Then, they adjust the inclusive practices that can be provided to their LGBT employees based on regulations and culture. Many respondents with operations in places with significant legal or cultural opposition to LGBT individuals maintain their own workplaces as safe spaces for their LGBT employees and clients.





INTERNAL COMPANY LGBT-INCLUSIVE PRACTICES

# Rationale for Implementing These Practices

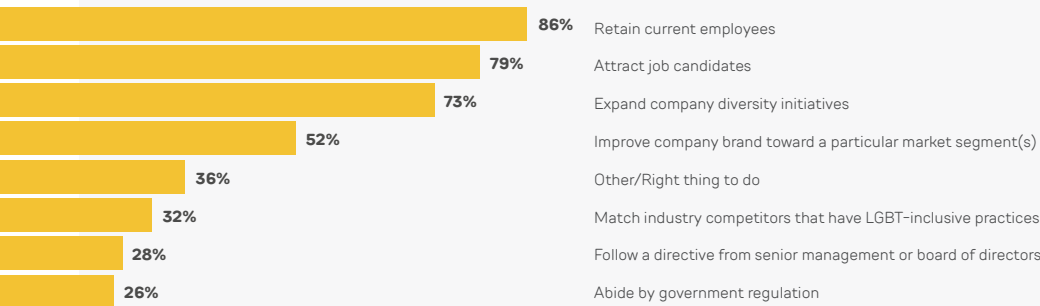
*Our research reveals that companies decide to implement LGBT-inclusive practices for various reasons.*

*“Ultimately embracing that kind of culture—a diverse culture and inclusive culture—first and foremost delivers better results for our clients.”*

*Joe Sullivan, CEO, Legg Mason  
2018 USCCF Corporate Citizenship Conference*

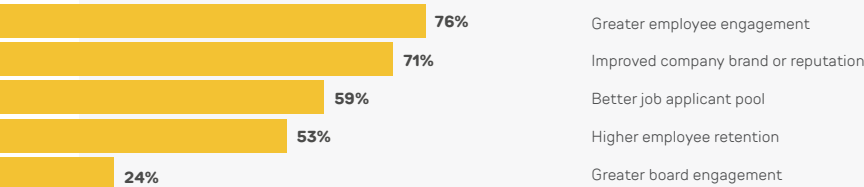
The most common reasons given are to retain current employees, attract job candidates, and expand company diversity initiatives. In addition to the importance of LGBT inclusion as a component of corporate culture, companies say that an inclusive workplace is critical for business success, in accordance with prior research. Several companies state that LGBT inclusion gives the workplace environment diverse perspectives that foster better solutions and creative ideas for their clients and customers.

### Company Rationale for Instituting LGBT-Inclusive Practices



Moreover, LGBT inclusion is not just a priority for companies because of business ROI. In response to our survey question about why companies choose to adopt LGBT-inclusive practices internally, 36% of the respondents volunteered some variation of “it’s the right thing to do.” With this in mind, DSM provides LGBT-inclusive practices to its employees to create an emotionally and physically safe working environment and to encourage employees—regardless of their sexual orientation—to bring their true selves to the office every day. This notion of permitting employees to bring their true selves to work was also a common refrain across respondents.

### Company Outcomes of LGBT-Inclusive Practices



Finally, in today’s competitive business environment, respondents shared that they may also be inclined to embrace more LGBT-inclusive practices based on the actions of their competitors and rankings that compare them with other companies on LGBT inclusion. One company began its LGBT-inclusive journey a couple years ago when it received a low score on the inclusion index of an LGBT advocacy organization. The following year the company improved its score significantly but still did not receive the highest accolades. Consequently, the company CEO made it a business priority to achieve a perfect score, which drove the company to improve its LGBT-inclusive practices even further.

## INTERNAL COMPANY LGBT-INCLUSIVE PRACTICES

## Outcomes

*As discussed, companies have strong incentives to implement LGBT-inclusive practices.*

Previous research shows that businesses with LGBT-inclusive practices reap greater financial benefits than companies that do not employ such practices.

Quantitatively, companies cite positive internal results from their LGBT-inclusive practices. Highest among them is greater employee engagement and improved company brand and reputation. Other benefits are a better job applicant pool and higher employee retention.

Qualitative findings reinforce the quantitative findings and reveal added insights regarding the outcomes of companies' LGBT-inclusive practices:

- » **More engaged employees.** Companies report increased employee engagement and comfort among employees to more freely identify themselves as LGBT as a result of company LGBT-inclusive practices. During the past couple years, Bayer has expanded its LGBT employee resource group internationally.<sup>26</sup> Through employee participation and leadership in the group, employees' leadership skills have strengthened, consequently preparing them for other opportunities to advance in the company. As mentioned, more engaged LGBT employees are happier, healthier, and more productive in the workplace, which benefits both employees and employers.<sup>27</sup> Many of the companies in this research found that this engagement goes beyond LGBT employees to include allies who find great value in LGBT-inclusive practices.
- » **Instrumental in identifying talent.** In a competitive job environment, becoming involved in recruiting activities to reach and recruit LGBT candidates is crucial. Booz Allen, for example, attends the Washington, D.C.'s Capital Pride events and leverages that partnership to attract new LGBT talent to the firm. The company has been able to measure and attribute success in these recruiting efforts to its LGBT external involvement. Booz Allen also features LGBT employees in its communications and company profiles, detailing how LGBT employees have overcome career challenges and how they bring their whole selves to work.

LGBT job candidates also seek out companies with LGBT-inclusive workplace cultures. Some companies say that they have hired LGBT candidates who researched LGBT-inclusive employers and subsequently submitted a job application to those companies.

*“Having [LGBT] people in senior leadership positions allows others to see it’s possible for LGBT employees to succeed. It’s incredibly powerful for employees around the globe.”*

*Corporate Research Participant*

*“We continue to have [LGBT] conversations in the workplace because we believe that once we understand each other, we’ll accept each other.”*

*Corporate Research Participant*

» **Growth of other LGBT-inclusive practices.**

Once some LGBT-inclusive practices have been established, they can lead to the expansion of others. As part of its employee resources groups, GSK established a group for its LGBT employees. The employee resource group's U.S. chapter was instrumental in getting domestic partner and transgender benefits administered at the company. Plus, the company has seen the growth in the number of members of the group as a positive sign that the company is moving in the right direction.

Several companies have also formalized LGBT alliance or identification in other ways. From rainbow-colored name badges and key fobs to email signatures with pronoun preferences to a confederation of employee resource groups across regions, there is a growing trend to normalize LGBT-inclusive culture across routine work practices. This helps bringing the global ideas of LGBT inclusion to the local workplace.

- » **Companies get internal pushback.** Not all employees favor LGBT-inclusive practices. Accordingly, companies report that they need to be respectful of all their employees' beliefs, but still have a responsibility to convey that LGBT-inclusive practices are instituted for the benefit of all, regardless of sexual orientation or gender identity. Many of the respondents say they welcome the opportunity of engaging with their employees on these issues and having personal conversations to better understand each other. For the most part, companies report success in engaging with non-supportive employees on a one-on-one basis. For some companies, if employees had a significant issue with LGBT-inclusive practices and could not be respectful of either their fellow employees or their company's mission, then those employees were judged as being not in line with company values.

<sup>26</sup> LGBT+ Life at Bayer <https://www.karriere.bayer.de/en/whybayer/development-teamwork/blend/index.html>

<sup>27</sup> M.V. Lee Badgett, Laura E. Durso, Angeliki Kastanis, and Christy Mallory, "The Business Impact of LGBT-Supportive Workplace Policies."



*“Bring people to awareness without blame and pointing fingers. Businesses can lead the way because it’s for our bottom line and in our best interest to bring folks together. Polarization is not good for business.”*

*Corporate Research Participant*



## INTERNAL COMPANY LGBT-INCLUSIVE PRACTICES

## Lessons Learned

*Companies have learned from their LGBT inclusion journeys.*

*Here are some of the key takeaways:*

- » **Companies can attract and retain better talent as a result of their LGBT-inclusive practices.** Qualitative company feedback on talent acquisition and retention reflects the quantitative findings from many studies. Companies say that they are more successful in recruiting and retaining the best employees because of their LGBT-inclusive practices. They also report increased access to younger job candidates because LGBT inclusion in the workplace is a priority for those candidates.
- » **Internally, companies promote engaging discussion to help all employees understand the benefits of their LGBT-inclusive practices.** Companies recognize that not all employees need to arrive at the same conclusions around LGBT workplace inclusion, but they need to respect company decisions on the issue. AT&T provides comprehensive companywide resources for employees to embrace LGBT diversity and inclusion, including a video and content library of trainings, research, and leader-led discussion guides. For its part, United has created a gender transition guide for its human resources and company managers to demystify the conversation and make employees feel more comfortable and knowledgeable around the issue.
- » **Companies need to cultivate relationships with LGBT employees.** According to respondents, companies need to lead on LGBT-inclusive practices and build relationships with LGBT employees in the workplace. One method of cultivating these relationships is the LGBT employee resource group. Some companies report that the visibility of their LGBT employee resource groups are instrumental in showing support of the LGBT community. Many companies stressed the importance of ensuring and encouraging the engagement of straight allies in company LGBT-inclusive efforts. Doing so helps create a more cohesive, supportive workplace overall.

Executive leadership support of LGBT-inclusive practices also signals the importance of LGBT issues to employees and key stakeholders. UPS, for example, promotes leadership among LGBT employees through executive sponsors and advisers that champion LGBT people in the workplace. Other companies have found that it is significant for senior leaders to set a clear tone of support for LGBT employees and inclusive practices. Senior leaders can dictate the attitude and corporate culture of the company around LGBT-inclusive practices and promote inclusion whenever possible.
- » **LGBT employees serve as essential resources to access LGBT business market segments.** In fact, companies say that inclusive policies position LGBT employees to be leaders within organizations, offering invaluable insights and perspectives for how businesses can effectively engage with a vital customer base. For example, one company says that its commitment to LGBT employees preceded its entry into the LGBT multicultural marketing arena, which has benefited its business financially.
- » **Companies should be authentic in their LGBT-inclusive practices.** Many companies say that for prospective employees and customers, being authentically committed to LGBT inclusion is paramount. Merely putting up a rainbow flag during Pride month is not sufficient, companies know that they have to have LGBT representation in their advertisements and in-house communications to show that LGBT inclusion lives at the heart of their mission.

In continuing to be proactive, GSK in the U.S. is making progress toward eliminating the use of binary gender pronouns in its job postings. And EY ensures that despite legal and cultural differences across countries, LGBT employees know that the company is committed to them and the value they bring. To accomplish these goals, EY works with its country teams to make each firm a safe space and advocates for LGBT equality locally.



## BUSINESS SUCCESS AND GROWTH THROUGH LGBT—INCLUSIVE CULTURE

# External Company LGBT-Inclusive Practices

*“Our employees expect us to stand up when these external (LGBT) issues are happening.”*

*Corporate Research Participant*

- » Companies use a plethora of sources and continuously mine information to stay current on LGBT issues. Human resources staff and LGBT nonprofit organizations are two sources companies frequently rely on to obtain insights.
- » State and local policies related to LGBT issues affect business decisions, with company respondents stating that they consider regional government regulations when making business choices such as the location of company expansion or the marketing of products or services.
- » Companies take a public stance on LGBT issues: 88% of respondents publicly support LGBT equality in the U.S., and 59% say they publicly oppose U.S. anti-LGBT policies. Some also receive and welcome recognition of their outward efforts to support the LGBT community.
- » Key takeaways that companies have learned about their external LGBT activities include the significance of creating internal strategies to determine their course of action on external LGBT issues as well as interacting with stakeholders that disapprove of a company’s LGBT stance.

Another area of examination of this report is how companies address external LGBT issues and how that may frame their LGBT-inclusive practices in the workplace. Specifically examined in this section are sources companies rely on for information on LGBT issues, the interaction of state and local policies on LGBT rights and company business decisions, and external responses to those policies.





EXTERNAL COMPANY LGBT-INCLUSIVE PRACTICES

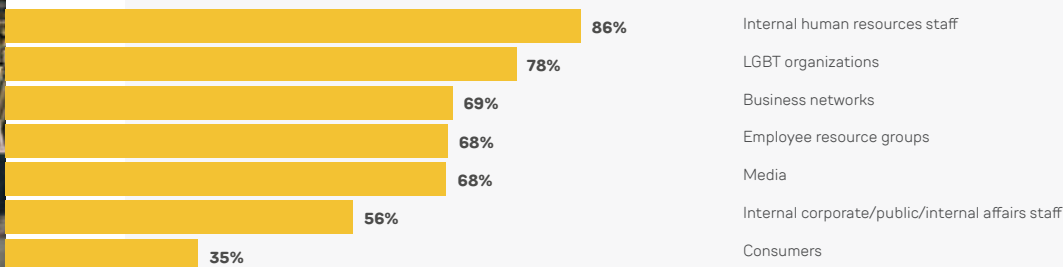
# Sources of Company Information on LGBT Issues

*Currently, companies and their LGBT inclusion practitioners are bombarded with information on LGBT issues from numerous sources.*

Determining where to obtain reliable information can ultimately influence how decisions regarding external and internal LGBT-inclusive practices are evaluated and made.

Respondents consult multiple sources to stay informed of LGBT issues:

**How Companies Stay Informed of LGBT Issues**



Staying current on ever-evolving LGBT issues requires diligent monitoring. Companies say that they are constantly gathering information on LGBT issues from a variety of groups. They rely on their public affairs and marketing teams as well as their local market teams, convening them regularly to garner insights.

An example of this communication was the introduction of the 2017 Texas “bathroom bill,” Senate Bill 6. The legislation, which ultimately did not pass, would have prohibited transgender people from using bathrooms in public schools, government buildings, and public universities based on their gender identity. AT&T had several conversations across the organization with its human resources and CSR teams about the issue when the legislation first came out. In parallel, its LGBT employee resource group has a governance committee that meets with public affairs, which also expressed concern over the proposed legislation because of the large presence of AT&T LGBT employees in Texas. As a consequence, the company was able to stay educated on the issue, and AT&T’s chairman and CEO was among a group of 14 Dallas-based company leaders who signed a letter to Texas lawmakers opposing the bill.<sup>28</sup>

28. CEOs from AT&T, American Airlines, TI and BNSF join the chorus against a “bathroom bill” *Dallas News*, July 2017. <https://www.dallasnews.com/news/lgbt/2017/07/17/ceos-att-american-airlines-ti-bnsf-join-chorus-bathroom-bill>





## EXTERNAL COMPANY LGBT-INCLUSIVE PRACTICES

## State and Local Policies and Business Decisions

*A symbiotic relationship exists between state and local government policy and the private sector.*

Government legislation establishes guidelines on how businesses and the communities where they are located conduct their affairs. But, businesses may work to influence regulatory outcomes and take internal action if the results are deemed unfavorable to businesses or their employees. For many companies, this includes state or local legislation around LGBT issues that may shape business direction.

*“If you look at one of the most aggressive and strong groups going after these [anti-LGBT] bills, it’s the business community. We see them as a direct threat—it’s not good for business, it’s not good for the employees, it’s not good for the [work] environment.”*

*Corporate Research Participant*

Legislative measures that seek to restrict or prohibit same-sex domestic partnerships, transgender use of public facilities, and other LGBT issues can directly affect LGBT employees residing in the regions of the proposed legislation. Just as companies desire to build safe and inclusive spaces internally, they strive for the same freedoms for their LGBT employees outside of the workplace.

When asked how state policies related to LGBT issues affect business decisions, some company respondents say that they may take LGBT state policies into consideration when making decisions such as the location of company expansion, or the marketing of products or services. Similar attitudes were expressed when respondents were questioned about how local policies related to LGBT issues influence business decisions.

For those companies reporting that their business decisions had been influenced by state or local LGBT policy, the results were dramatic. As an illustration, one municipality in Illinois was opposed to transgender people accessing public bathrooms and would not deviate from their position. DSM had been contemplating a modest expansion in the area and ultimately decided not to because it could not reach an agreement with civic leaders.

Companies also leverage other means to advocate for LGBT-inclusive state and local policies. Instead of relying solely on the decision to bring or take away business operations, many companies feel a responsibility to their communities to advocate for the LGBT community instead of leaving when anti-LGBT measures are introduced or passed. One of the most consistent findings of this research was that standing up for employees and the community in the face of anti-LGBT legislation is paramount to being inclusive. PayPal’s public account of their decision not to proceed with company expansion in Charlotte, North Carolina as a result of the state government’s decision to restrict transgender use of public bathrooms is one such example.

## Statement from PayPal CEO Dan Schulman to Not Proceed with Company Expansion in Charlotte because of North Carolina's Bill Restricting Transgender Use of Public Bathrooms — April 2016<sup>29</sup>

### Pay Pal Withdraws Plan for Charlotte Expansion

April 5, 2016, Dan Schulman



Two weeks ago, PayPal announced plans to open a new global operations center in Charlotte and employ over 400 people in skilled jobs. In the short time since then, legislation has been abruptly enacted by the State of North Carolina that invalidates protections of the rights of lesbian, gay, bisexual, and transgender citizens and denies these members of our community equal rights under the law.

The new law perpetuates discrimination and it violates the values and principles that are at the core of PayPal's mission and culture. As a result, PayPal will not move forward with our planned expansion into Charlotte.

This decision reflects PayPal's deepest values and our strong belief that every person has the right to be treated equally, and with dignity and respect. These principles of fairness, inclusion and equality are at the heart of everything we seek to achieve and stand for as a company. And they compel us to take action to oppose discrimination.

Our decision is a clear and unambiguous one. But we do regret that we will not have the opportunity to be a part of the Charlotte community and to count as colleagues the skilled and talented people of the region. As a company that is committed to the principle that everyone deserves to live without fear of discrimination simply for being who they are, becoming an employer in North Carolina, where members of our teams will not have equal rights under the law, is simply untenable.

While we will seek an alternative location for our operations center, we remain committed to working with the LGBT community in North Carolina to overturn this discriminatory legislation, alongside all those who are committed to equality.

We will stand firm in our commitment to equality and inclusion and our conviction that we can make a difference by living and acting on our values. It's the right thing to do for our employees, our customers, and our communities.

<sup>29</sup> Dan Schulman, "PayPal Withdraws Plan for Charlotte Expansion," PayPal (blog), April 5, 2016. <https://www.paypal.com/stories/us/paypal-withdraws-plan-for-charlotte-expansion>



## EXTERNAL COMPANY LGBT-INCLUSIVE PRACTICES

## Public Support for LGBT Issues

# 88%

of respondents publicly support LGBT equality in the U.S.

# 59%

of respondents publicly oppose anti-LGBT policies.

Some companies have become externally vocal about the value proposition for LGBT inclusion and that laws should reflect this inclusion to promote business success. Companies that are well established in various locations want those communities to be LGBT-inclusive and therefore focus their advocacy efforts on that objective.

For example, a group of businesses based in Houston banded together in 2017 to express their disapproval of the proposed Texas “bathroom bill” that would restrict access to public restrooms for transgender people. The signatory group of 55 executives, organized by the Greater Houston Partnership, sent a letter to the Texas governor stating that they opposed the bill.<sup>30</sup> A similar movement took place among Dallas businesses, which also sent a joint letter to the Texas governor on the issue.

**Full Page Ad Placed in Major Texas Newspapers by IBM to Protest Texas’ Bill to Limit Access to Public Facilities for Transgender People — July 2017**

**No one  
should face  
discrimination  
for being  
who they are.**

As one of the largest technology employers in Texas, IBM firmly opposes any measure that would harm the state’s LGBT+ community and make it difficult for businesses to attract and retain talented Texans.

We urge Governor Abbott and the state legislature to abandon any discriminatory legislation during this special session and ensure Texas remains a welcoming place to live and work.

**#KeepTXOpen**



<sup>30</sup> Greater Houston Partnership, “Houston Business Letter to Governor Greg Abbott of Texas,” August 8, 2017. [https://media.click2houston.com/document\\_dev/2017/07/31/GHP%20letter%20to%20Gov%20Abbott\\_1501540912355\\_10201291\\_ver1.0.pdf](https://media.click2houston.com/document_dev/2017/07/31/GHP%20letter%20to%20Gov%20Abbott_1501540912355_10201291_ver1.0.pdf)

## EXTERNAL COMPANY LGBT-INCLUSIVE PRACTICES

## Outcomes

*Government proposals, policies, and regulations around LGBT issues have influenced companies in pivotal ways:*

### **Taking a stance on public policy**

Rather than sitting back and letting public policy simply happen, some companies have begun to voice their opinions and take a stand on LGBT policy. As mentioned, this is particularly true when legislation is proposed in locations where company employees work and reside. For example, United, IBM, and DSM supported the repeal of House Bill 2 in North Carolina in 2016. That bill eliminated anti-discrimination protections for LGBT people, and legislated that in government buildings, people could only use restrooms and changing facilities corresponding to the sex on their birth certificates. Those companies were against it because it affected their employees and customers in the state.

Another way businesses have shown support for LGBT policy is through business collaborations and coalitions that strengthen their support and messaging. Senior management at some companies serve on the board of directors of LGBT nonprofit organizations like Out and Equal, the National Gay and Lesbian Chamber of Commerce (NGLCC), and the National Gay Lesbian Travel Alliance. In addition to offering leadership and prominence to these organizations, these companies also find value in being kept up to date on LGBT trends and topics. For instance, some companies have joined coalitions that support federal bills to protect LGBT employees.

Some respondents shared that if companies were hesitant to publicly advocate on their own, they may consider using business coalitions to support LGBT rights and equality. A business group called Georgia Prospers came together to voice its concerns over anti-LGBT legislation at the state level a couple years ago. Georgia Prospers' businesses said that as a collective they felt like they were part of a larger movement and subsequently had greater impact than they would have had had they advocated as sole organizations.

*“You can’t underestimate the power of either being nimble [on LGBT issues] as an organization or through a business association or business advocacy organization.”*

*Corporate Research Participant*

### **Recognition from external sources**

Several respondents reported that another result of their LGBT-inclusive practices was recognition by LGBT organizations like the Human Rights Campaign (HRC) or NGLCC. Ratings like HRC's Corporate Equality Index, which scores companies based on a variety of LGBT-inclusive measures, provide a baseline for companies to meet and offer a showcase if they wish to be leaders in the LGBT-inclusive workplace among their peers.

Moreover, companies have reaped the benefits of their external LGBT advocacy through recruiting and retaining job candidates. United Airlines states that millennials and Generation Z on college campuses have commented positively on the company's external LGBT activities and have applied for positions at the company because of its LGBT advocacy.



*“This isn’t just about our current employees or the ones applying to work for us; it’s about the talent we are seeking. If this talent says, “I think that I or my friends or family might be discriminated against if I move to that state,”—even if there is a perception of discrimination—they’ll say that. Then we just lost that opportunity to recruit that top talent.”*

*Amy Waggoner, Director, Midwest State & Local Government Affairs, Salesforce  
2018 USCCF Corporate Citizenship Conference*

## EXTERNAL COMPANY LGBT-INCLUSIVE PRACTICES

## Lessons Learned

*Given the disparate activities that companies have undertaken in their support of the LGBT community externally, there are several insights and lessons learned from these experiences.*

### **Creating internal committee or strategy to evaluate when to take action on public policy.**

To target their LGBT public policy approaches, some respondents developed systems to evaluate how and when to take a public stance on LGBT issues. For instance, PwC corporate structure is divided into nine regions around the U.S., with each region headed by an executive leader. As LGBT and other public policy issues arise, these leaders are asked to provide their opinions, which are funneled to the PwC C-suite for consideration. PwC also has a central committee that evaluates requests for PwC regions to sign on to particular positions. Other respondents shared that their employee resource groups partner with their government affairs departments to advocate more effectively on external LGBT issues.

Some companies use employee focus groups to gather feedback on LGBT policy issues, monitor internal posts for insight, and leverage a variety of other tools to maintain progressive and inclusive workforces. Other tactics companies use are an engagement matrix to guide their policy decisions. Such a tool can range from actions on when to take a stance on social media, contact government officials, or reach out to like-minded companies to collaborate on their LGBT efforts.

### **Interacting with stakeholders that do not support a company's LGBT stance.**

Not all stakeholders are receptive to a company's LGBT-inclusive practices, and as a result, companies have learned how to have productive discussions on the topic. Companies like United and AT&T have found that there will always be organizations and customers that take exception to their support of LGBT people in the workplace and who express their opinions through written correspondence and social media. These complaints, however, have not changed the companies' beliefs on LGBT inclusion, and the companies address these opinions thoughtfully while reiterating their support.

## BUSINESS SUCCESS AND GROWTH THROUGH LGBT—INCLUSIVE CULTURE

## Summary

*This research shows that when companies create LGBT-inclusive cultures, it takes a variety of forms.*

Nevertheless, it requires an organizational and long-term commitment. To showcase that commitment, companies are taking bold, innovative steps to create LGBT-inclusive workplaces and publicly advocate for the LGBT community. They regularly encourage LGBT awareness for their employees by providing LGBT-inclusive practices—nondiscrimination policies, same-sex health benefits, and LGBT employee resource groups to foster a supportive work environment.

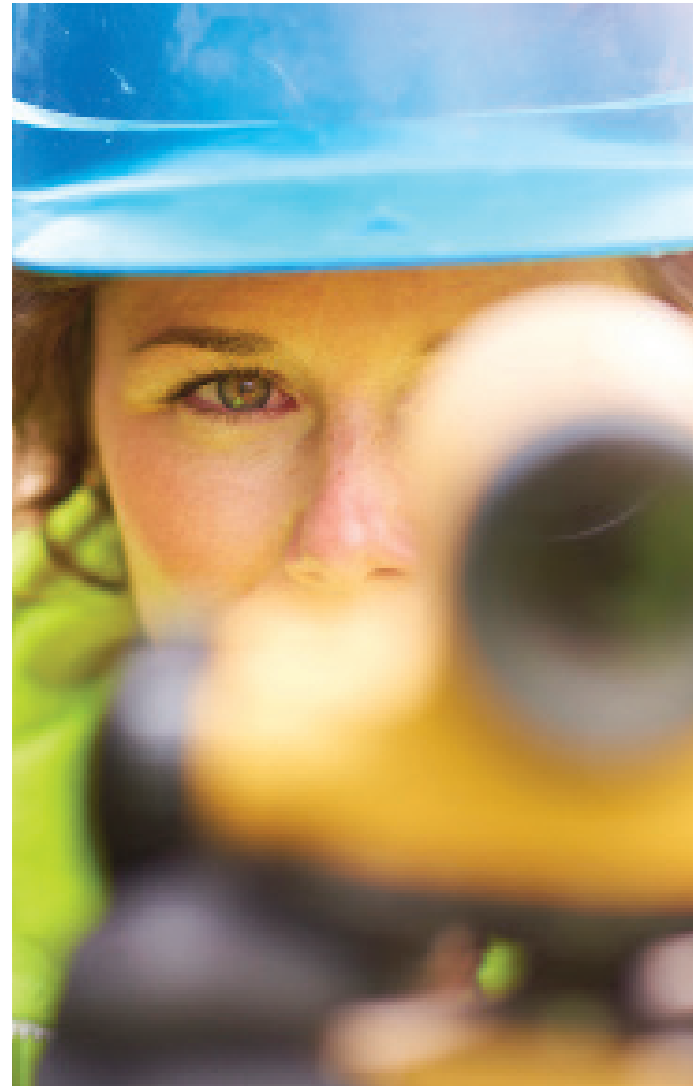
The motivations for company LGBT-inclusive efforts often extend beyond business ROI. For many employers, embracing LGBT employees is about authenticity in their intentions to cultivate diversity and inclusion in their workplaces. Companies believe that LGBT employees should be free to bring their true selves to work and should feel comfortable sharing who they are with work colleagues, customers, and others.

Increasingly, companies are taking a public position not only on LGBT inclusion in the workplace but on LGBT acceptance and rights in the communities where they do business. These research findings demonstrate that companies have targeted strategies for responding to state and local regulations that hinder LGBT inclusion, particularly in locations where they have a vested business interest. Through social media, marketing, and lobbying public officials, companies seek to influence the outcomes of LGBT-related regulations to positively affect the LGBT community.

*“At the end of the day, I think we’re making a difference in driving the hiring, recruiting, and retaining of LGBT employees. But we have to be able to track that.”*

*Corporate Research Participant*

*// Companies are taking a public position not only on LGBT inclusion in the workplace but on LGBT acceptance and rights in the communities where they do business.*





## SUMMARY

## Future LGBT-Inclusive Practices

### *Inclusion in the workplace is ever evolving.*

This report offers a glimpse of cutting-edge LGBT workplace practices that are being implemented by companies, including same-sex surrogate benefits, tax equalization, and the development of guidelines to assist employees and their colleagues through gender transition.

Some businesses report that the expansion of external resources to help create more inclusive LGBT work environments are on the horizon. Others say that while it is easy to find resources for a company to enhance its gender and racial diversity, it is a struggle to find external resources on LGBT-inclusive best practices specifically supporting the private sector.

Another evolving issue in the LGBT space at companies is how to name LGBT employee resource or affinity groups. Some companies feel that the term “employee resource group” insinuates that the group’s sole purpose is to support LGBT employees only in their career endeavors and networking opportunities.

While companies feel these aspects should be a component of the group, many are retitling such groups to LGBT “business resource groups.” This way, the name of the group denotes more involvement in how the company is run and how LGBT employees contribute to business operations.

Finally, companies say that more workplace data on their LGBT employees will help better inform their LGBT-inclusive strategies. Many companies conduct employee engagement surveys. However, they often-times do not collect specific demographic information on LGBT employees in the workplace because they do not ask specific questions on the sexual orientation of their employees. If they do collect this information, not all LGBT employees report their sexual orientation or gender identity.

From a recruiting perspective, unlike the self-identifying data that companies are required to collect from job applicants on gender and ethnic identity for the U.S. Equal Employment Opportunity Commission (EEOC), the EEOC does not mandate the collection of data on the sexual orientation or gender identity (separate from gender) of job candidates. Therefore, companies do not capture this information. This is an area where companies can ultimately enhance the LGBT recruiting efforts.

LGBT data collection also applies to improving the measurement of the effectiveness of the LGBT-inclusive practices. Respondents report that doing more monitoring and evaluating of their practices would permit them to better design and advance their LGBT inclusion strategies and talent planning.

Overall, companies are inspired to adopt LGBT-inclusive practices in greater numbers and using increasingly creative benefits to better attract and retain LGBT employees. In addition, their vocal presence on LGBT issues externally furthers LGBT issues in their internal workplaces as well as in society at large. The success of these movements and the benefits they have brought to corporate culture show that more progress is certain. Given how far the LGBT workplace movement has come in the past decade, future advances are not that far away.





**U.S. Chamber of Commerce Foundation**

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