Encouraging diversity and fostering an inclusive working environment are widely considered the right things to do. However, research increasingly shows they are also key to maximizing business performance. Russell Reynolds Associates’ second annual Diversity and Inclusion (D&I) Pulse survey asked more than 1,800 executives worldwide about their perceptions of their organizations’ cultures and commitment to D&I. We also asked for specific feedback on their leaders’ styles. A key finding: Inclusive leadership behaviors profoundly affected their experiences – and often performance – in the workplace.

When leaders demonstrated inclusive behaviors such as visibly committing to D&I and encouraging people to voice different opinions, more than 90 percent of executives felt they had a positive working relationship with that leader, could bring their authentic selves to work and wanted to remain in their jobs.

Further bolstering the importance of inclusive behaviors, recent research shows that companies with diverse leadership teams and inclusive cultures are more likely to be innovative, and consequently produce higher revenues than their more homogeneous counterparts. These effects are not insignificant: one recent study found organizations with inclusive cultures were twice as likely as others to meet or exceed financial targets, and six times as likely to foster innovation.¹

Despite the strong argument for cultivating D&I, many leaders still find it a challenge to translate that knowledge into meaningful action. RRA data shows that diverse populations frequently feel less positive about their work experiences than others, a feeling that is particularly acute for LGBTQ+ executives.

Based on data from more than 700 executives in the US and Canada, RRA compared the D&I Pulse responses related to perceptions and experiences in the workplace of the 8 percent (55 executives) who self-identified as LGBTQ+ to those of others:

<table>
<thead>
<tr>
<th>THE GOOD NEWS:</th>
<th>THE BAD NEWS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>The majority of LGBTQ+ executives believe their organizations want to foster D&amp;I:</td>
<td>Relatively few LGBTQ+ executives feel their organization actually fosters D&amp;I:</td>
</tr>
<tr>
<td>Sexual orientation and gender identity are included in my organization’s D&amp;I strategy</td>
<td>My organization places a priority on attracting diverse talent</td>
</tr>
<tr>
<td>78%</td>
<td>64%</td>
</tr>
<tr>
<td>D&amp;I/unconscious bias training are part of my organization’s D&amp;I strategy</td>
<td>My organization is effective at developing diverse talent</td>
</tr>
<tr>
<td>67%</td>
<td>54%</td>
</tr>
<tr>
<td>Measures to mitigate hostile work environments are part of my organization’s D&amp;I strategy</td>
<td>My organization is effective at fostering an inclusive culture</td>
</tr>
<tr>
<td>61%</td>
<td>47%</td>
</tr>
</tbody>
</table>

* LGBTQ+ executives are also significantly less likely than others to agree that:
  * My organization sets me up for my highest level of performance
  * My organization brings out my most creative ideas
  * I am highly engaged in my job

45% of LGBTQ+ executives note that diverse talent has left their organization due to a lack of inclusion or engagement

LGBTQ+ executives cite lack of retention and development mechanisms for diverse talent as the **No. 1 barrier** for success in their companies’ D&I strategy

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Marketplace Perspectives

In line with RRA’s findings about the workplace experiences of LGBTQ+ executives, the recent “Workplace Divided” report by Human Rights Campaign reveals ongoing challenges in the workplace for the broader population of LGBTQ+ employees.

- **Double standard**: 80% of non-LGBTQ+ employees feel LGBTQ+ colleagues should not have to hide their identities at work.
- **Closed at work**: 46% of LGBTQ+ employees are closeted at work.
- **Lack of talent engagement**: 31% feel unhappy or depressed at work.
- **Accountability systems**: 45% feel non-discrimination policies are applied differently depending on supervisor’s viewpoint on LGBTQ+.
- **Frozen out of social networks**: 25% avoid certain people, 20% have avoided special events.
- **Allies stepping up**: 25% of LGBTQ+ employees have stayed in a job primarily due to an accepting culture; 20% fewer non-LGBTQ+ employees willing to let negative comments go unaddressed in 2018 than 2012.


**The upshot of these surveys**: Negative workplace cultures are impeding the morale and potential of LGBTQ+ talent. As a result, many organizations are getting less-than-optimal performance from LGBTQ+ talent – or losing it altogether.
The Path Forward

Membership status in the LGBTQ+ community is often invisible. Yet by not attempting to create an inclusive environment where people can feel free to disclose their true identities – including LGBTQ+ status – companies risk eroding productivity and losing key talent.

Based on the survey responses of LGBTQ+ executives, RRA’s D&I Pulse data points to three primary areas for attracting, selecting, retaining and developing this group: **raising awareness, mitigating hostility by managing risks and developing internal networks**.

In practice, we recommend the following steps to help organizations make progress in these areas and ultimately improve talent outcomes.

<table>
<thead>
<tr>
<th>Action</th>
<th>Attract</th>
<th>Select</th>
<th>Retain</th>
<th>Develop</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raise Awareness</td>
<td>■ Clear articulation of commitment to D&amp;I</td>
<td>■ Mandating diverse hiring slates</td>
<td>■ Thoughtful internal communications strategy</td>
<td>■ Internal leadership opportunities for high potential employees (e.g., leading events, employee resource groups (ERGs), etc.)</td>
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<tr>
<td></td>
<td>■ Communication of diversity hiring goals</td>
<td></td>
<td>■ Visible leadership commitment (lunch &amp; learns, celebrating key events, highlighting role models)</td>
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<tr>
<td></td>
<td>■ Affinity group recruitment events</td>
<td></td>
<td>■ Public pride celebrations</td>
<td></td>
</tr>
<tr>
<td>Mitigate Hostility by</td>
<td>■ Code of conduct displayed on company website</td>
<td>■ Structured interview questions</td>
<td>■ Practices and policies: non-gendered parental leave, non-gendered medical benefits</td>
<td>■ Incentivizing inclusive behaviors (incorporating into review process)</td>
</tr>
<tr>
<td>Managing Risks</td>
<td>■ Remove biased language from job descriptions</td>
<td>■ Training related to interviewing LGBTQ+ candidates</td>
<td>■ Train leaders on the code of conduct</td>
<td>■ Unconscious bias training</td>
</tr>
<tr>
<td></td>
<td>■ Write results-based job descriptions (vs. skills-based)</td>
<td>■ Unconscious bias training</td>
<td>■ Flexible career paths to provide development and advancement opportunities in all phases of life</td>
<td>■ Anti-harassment training</td>
</tr>
<tr>
<td>Build &amp; Foster Networks</td>
<td>■ D&amp;I partnerships</td>
<td>■ Diverse hiring panels across all hiring decisions</td>
<td>■ Employee resource groups (ERGs), including allies and champions</td>
<td>■ Sponsorship – customized for diverse populations</td>
</tr>
<tr>
<td></td>
<td>■ Targeted recruitment</td>
<td></td>
<td>■ Mentorship programs</td>
<td>■ Exit interviews for LGBTQ+ departures</td>
</tr>
<tr>
<td></td>
<td>■ Publicize diverse talent stories</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>■ Maintain active alumni networks for diverse employees</td>
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</tbody>
</table>

Building an inclusive work environment takes time. Non-LGBTQ+ employees need education and encouragement to change tone-deaf behaviors, and LGBTQ+ employees may understandably need to see a track record of improvement before they feel truly included.

The good news is that the first step is typically the hardest – and the more such steps become standard practice, the easier it will be for other companies to take them. With consistent and sincere investment, companies stand to see change that not only transforms their businesses, but also transforms lives.
Pride in Practice

A small cadre of organizations are widely recognized for their best-in-class approaches to fostering inclusive environments for LGBTQ+ employees. Here, we profile four of them based on our conversations and public information.

Across these and other leading organizations, a common theme is that they have learned how to customize efforts for raising awareness, mitigating hostility and building networks for each of the three groups most critical to making LGBTQ+ inclusion part of D&I strategy.

Key stakeholders in LGBTQ+ talent strategy

- **LGBTQ+ Employees**: Leading companies make robust and practical efforts to support LGBTQ+ employees. From recruiting processes to benefits programs, they adapt to the specific needs of the community.

- **Non-LGBTQ+ Employees**: Leading companies invest deeply in helping the non-LGBTQ+ population make a meaningful commitment to equality with ally programs, training resources, newsletters and community-building efforts.

- **External Stakeholders**: Leading companies publicly and sincerely support the LGBTQ+ community beyond company walls, whether it’s adapting a product or service, taking a stance on legislation, or sponsoring an event.

Specific examples of LGBTQ+ talent strategy

**IBM: Pushing the boundaries with policy**

IBM Corp. established itself as an early supporter of the LGBTQ+ community by adding sexual orientation to its global nondiscrimination policy in 1984, followed by gender identity and expression in 2002. It began offering benefits for same-sex partners in 1996 and continues to take a far-sighted approach in this area.

One of IBM’s recent efforts to make a statement through its policies has been rolling out LGBTQ+-focused benefits around the world – including in some countries where LGBTQ+ rights are extremely limited. “For us, it’s about full inclusion,” IBM chief diversity officer Lindsey-Rae McIntyre said in a media interview. “We started to look at: How can we do more? How can we push the envelope to be more inclusive?” Champions at all levels of the firm fully supported the efforts, she noted.

The company’s support for the LGBTQ+ community has also affected how IBM advises clients. The company has published research and case studies about sensitive topics drawn from its own experiences, such as how to design a survey attuned to LGBTQ+ identities, and how to support employees undergoing a gender transition.

**JP Morgan Chase: Supporting suppliers**

JP Morgan Chase & Co has a strong internal commitment to LGBTQ+ equality, including an affinity group and leading-edge benefits for employees who are undergoing a gender transition. The financial services giant is also distinctive in its commitment to include the LGBTQ+ community in its supplier diversity efforts. A corporate co-founder of the National Gay & Lesbian Chamber of Commerce, JP Morgan Chase has a global team that collaborates with business units across the company, advocacy organizations and community leaders to create opportunities for diverse suppliers. That support includes mentoring and programs to help entrepreneurs develop into top performers. “True inclusion goes beyond being an equal opportunity employer — it requires everyday actions to encourage and foster authenticity, building a culture that includes all people,” noted William Kapfer, head of global supplier diversity. “Employees cannot deliver exceptional client services, or realize their full, personal potential if they feel obliged to leave part of themselves at home when they come to work.”

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The Coca-Cola Company is a long-time supporter of the LGBTQ+ community and was one of the first to publicly support the Employment Non-Discrimination Act in the US. In 2011, Coca-Cola began offering transgender-inclusive health insurance coverage and in 2015 it began assisting with the additional tax costs faced by U.S. employees with same-sex partners living in states that did not recognize same-sex marriage at the time.

In addition, Coca-Cola has an LGBTQA business resources group that exists to foster an equitable and inclusive working environment where lesbian, gay, bisexual, queer and transgender employees, and their supporters, feel a sense of community and opportunity. With an executive sponsor from the company’s senior leadership team championing and promoting its mission and objectives, the group engages associates in support of diversity and inclusion priorities as well as training and education, community projects, networking events, cultural heritage month celebrations, project assignments and management opportunities.

Beyond company walls, Coca-Cola has leveraged its status as an iconic global brand to build support for the LGBTQ+ community in some significant ways. Its 2018 Super Bowl commercial, “The Wonder of Us,” was hailed as a ground-breaker for including LGBTQ+ pride symbols and storylines, such as a lesbian couple with a voice-over stating: “We all have different looks … and loves.” In Australia, the company created a new can design to support marriage equality during a 2017 national debate, harnessing its well-known script to read “Love” with a rainbow inside the loop of the O. In an accompanying statement, the company explicitly voiced its support for same-sex marriage. It has also worked with artists around the world to produce films and music with an explicitly LGBTQ+ focus to show its support.4

Bain & Company has long supported the LGBTQ+ community through inclusive benefits and an affinity group, BGLAD, and it has recently placed enhanced emphasis on the ally community to help build better internal connections, learning and inclusion. “To make sure we deliver outstanding client results, we have to not only assemble diverse teams but also get full value from this diversity, which requires engaging every person at our firm in creating an inclusive culture,” said Melissa Artabane, Director of Bain’s Global Diversity Programs.

One step in that direction involved simplifying the process to becoming an ally and increasing interactions with this group. The firm once used an Excel spreadsheet to track the non-LGBTQ+ employees who wanted to become allies, making it a highly manual process for all involved. Now, allies can easily opt in online anywhere in the world. After opting in, they immediately become engaged with the LGBTQ+ affinity group via tailored content, such as a brief training manual the firm created to orient them to concerns and terminology in the LGBTQ+ community, and events such as panels or movie screenings. Allies can also display a BGLAD decal in their offices or at their desks. “The engagement from the broader ally community adds a whole new level of energy to our efforts; having so many diverse people actively engaging on LGBTQ+ topics and working towards creating a more inclusive culture at Bain is generating a lot of momentum across the firm,” observed Anita Cohen, a partner in Bain’s Chicago office as well as a member of BGLAD.

Bain has also recently launched quarterly newsletters for the ally community, sharing much of the content from the newsletter for the LGBTQ+ community that launched concurrently, to build community and fuel dialogue. As a result, Bain has seen a “dramatic increase” in participation and engagement, says Artabane, and believes the trend is closely linked to improved retention of LGBTQ+ employees.5

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4 Based on The Coca-Cola Company website.
5 Based on interviews with Bain executives.
Looking Ahead

While there is no one-size-fits-all approach to increasing inclusion for LGBTQ+ employees, these case studies highlight some of the key pillars that are essential to beginning the process. By focusing on meeting the needs of LGBTQ+ employees while also engaging non-LGBTQ+ employees and external stakeholders, organizations can make their commitment to equality far-reaching and sustainable. The journey is not necessarily easy – but it is imperative to ensure the long-term success of executives from all backgrounds.
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