

TALENT MANAGEMENT

LGBT-Inclusive Companies Are Better at 3 Big Things

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FEBRUARY 02, 2016

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For the first time in the history of Davos, LGBT rights made the official agenda at the World Economic Forum. Business leaders including Beth Brooke-Marciniak, the global vice chair for public policy at EY, and Shamina Singh, the executive director of the Mastercard Center for Inclusive Growth, spoke at length about the unparalleled opportunity businesses have to make a difference in the lives of LGBT individuals around the world. “Multinational companies have enormous economies and employ millions of people,” said Brooke-Marciniak. “This gives them the ability to influence change on this issue in a unique and powerful way.”

LGBT inclusion is top of mind for the business community – and not just because it’s the right thing to do. The Center for Talent Innovation’s newest report, “[Out in the World: Securing LGBT Rights in the Global Marketplace](#),” demonstrates that countering LGBT discrimination makes a corporation competitive on three fronts. Fostering an LGBT-inclusive workplace helps a company attract and retain top talent, woo and win critical consumer segments, and innovate for underserved markets.

LGBT-inclusive companies attract and retain top talent. It’s really no surprise that LGBT employees want to work for a company that allows them to bring their authentic selves to work, but the appeal of LGBT inclusivity goes far beyond LGBT employees. We find that the vast majority of allies – non-LGBT individuals who support and advocate for LGBT individuals in the wider community – prefer to work for inclusive companies: [a stunning 72%](#) of ally respondents say that, all else being equal, they are more likely to accept a job at a company that is supportive of LGBT employees than one that is not supportive. Inclusive policies for LGBT individuals send a friendliness cue that resonates with other employees, even when they are not active allies.

Not only are inclusive workplaces more attractive to potential talent, but they also ensure that current employees stay committed and engaged. LGBT and ally employees at inclusive companies are significantly more likely to say they are proud to work for their employer (84% versus 68%) and more likely to “go the extra mile” for company success (84% versus 73%) than those at companies that have a negative attitude toward LGBT employees.

Another benefit that does not go unnoticed by top talent: inclusive companies provide a positive environment for all employees to reach their full potential. At BNY Mellon, for example, allies get the support and feedback they need to stand up to prejudice through the company’s Ally Campaign. “The idea is to give people a safe place to share their story as an LGBT ally,” says Lane Cigna, associate director of corporate communications at BNY Mellon. “Through our Ally Campaign, we were introduced to colleagues who want to be allies because their LGBT or transgender children and relatives have been bullied. They were straight allies who’d lost gay siblings and friends.” Oftentimes, Cigna says, allies need encouragement and support just as much as LGBT employees to reach their full potential in the workplace.

LGBT-inclusive companies win the business and loyalty of discerning consumers. Seventy-one percent of LGBT respondents and 82% of allies across our multimarket sample say they are more likely to purchase from a company that supports LGBT equality – critical majorities, given that global LGBT buying power is estimated at **\$3.7 trillion**. The global ally market has yet to be properly quantified, but with **close to three-quarters of CTI survey respondents in the U.S. self-identifying as LGBT allies**, it's bound to be a consumer segment that companies can ill afford to overlook.

Some companies, like American Express, are already tapping these segments. In 2012, the company's PRIDE network launched a Shop Small marketing initiative in Provincetown, a popular LGBT destination, to entice LGBT and ally cardholders to spend more at local small businesses. The campaign was a runaway success: card spending grew by double digits. American Express has since extended Shop Small to 10 locations in the U.S., and plans are in the works for an LGBT Shop Small campaign in Brighton, United Kingdom, as well.

LGBT-inclusive companies harness the insight of LGBT employees to drive market innovation. **CTI research shows** that teams with members whose sexual orientation matches the target consumer's are much more likely to understand the market.

The market success of **Out Leadership** founder Todd Sears illustrates just how valuable that end-user insight can be. While at Merrill Lynch, Sears worked to secure the firm's presence in the LGBT community by crafting seminars that addressed the estate-planning challenges faced by LGBT clients. Within a year, his marketing team grew to 10 financial advisors in six cities; internally, his team educated more than 250 Merrill Lynch financial advisors to better serve LGBT clients around the globe. Sears's initial target was to bring in \$24 million in 24 months. Over the next four years, his team brought in \$1.4 billion.

So what can global companies do to become more LGBT inclusive? The "Out in the World" report provides three models tailored to different legal and cultural environments: the "When in Rome" model; the "Embassy" model; and the "Advocate" model. As the name suggests, when employing the "When in Rome" model companies adhere to the norms and local laws of the jurisdiction. The "Embassy" model, on the other hand, allows companies to enforce pro-LGBT policies within their own walls, but does not push for change in the wider community. Finally, companies adopting the "Advocate" model actively seek to effect change even outside the office.

One company can utilize all three models at once depending on the jurisdictions in which they are located – for example, adopting an "Embassy" stance in one locale that is legally welcoming, but culturally hostile, to LGBT individuals, while simultaneously pushing more publicly for LGBT rights in another location where the law lags behind cultural acceptance.

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Corporate leaders around the globe are beginning to recognize that when they stand up for LGBT people – including their own employees, clients, customers, and consumers – they promote justice while also serving their bottom line. As Brooke Marciniak so eloquently put it, "If the private sector is leading inclusive cultures within the walls of their companies, they can lead the cultural change to create a more inclusive society."



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