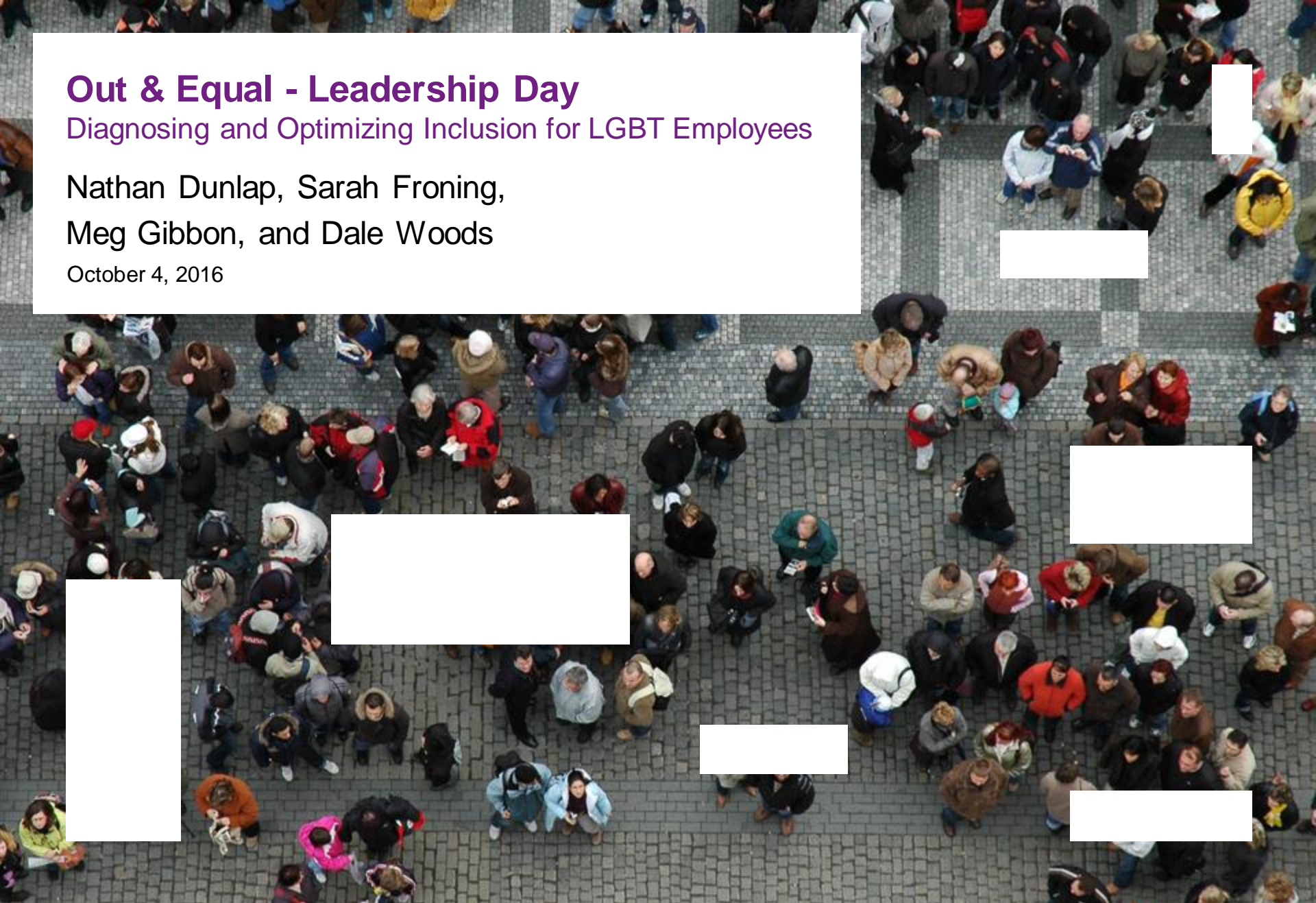


# Out & Equal - Leadership Day

Diagnosing and Optimizing Inclusion for LGBT Employees

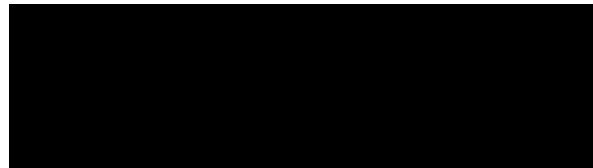
Nathan Dunlap, Sarah Froning,  
Meg Gibbon, and Dale Woods

October 4, 2016



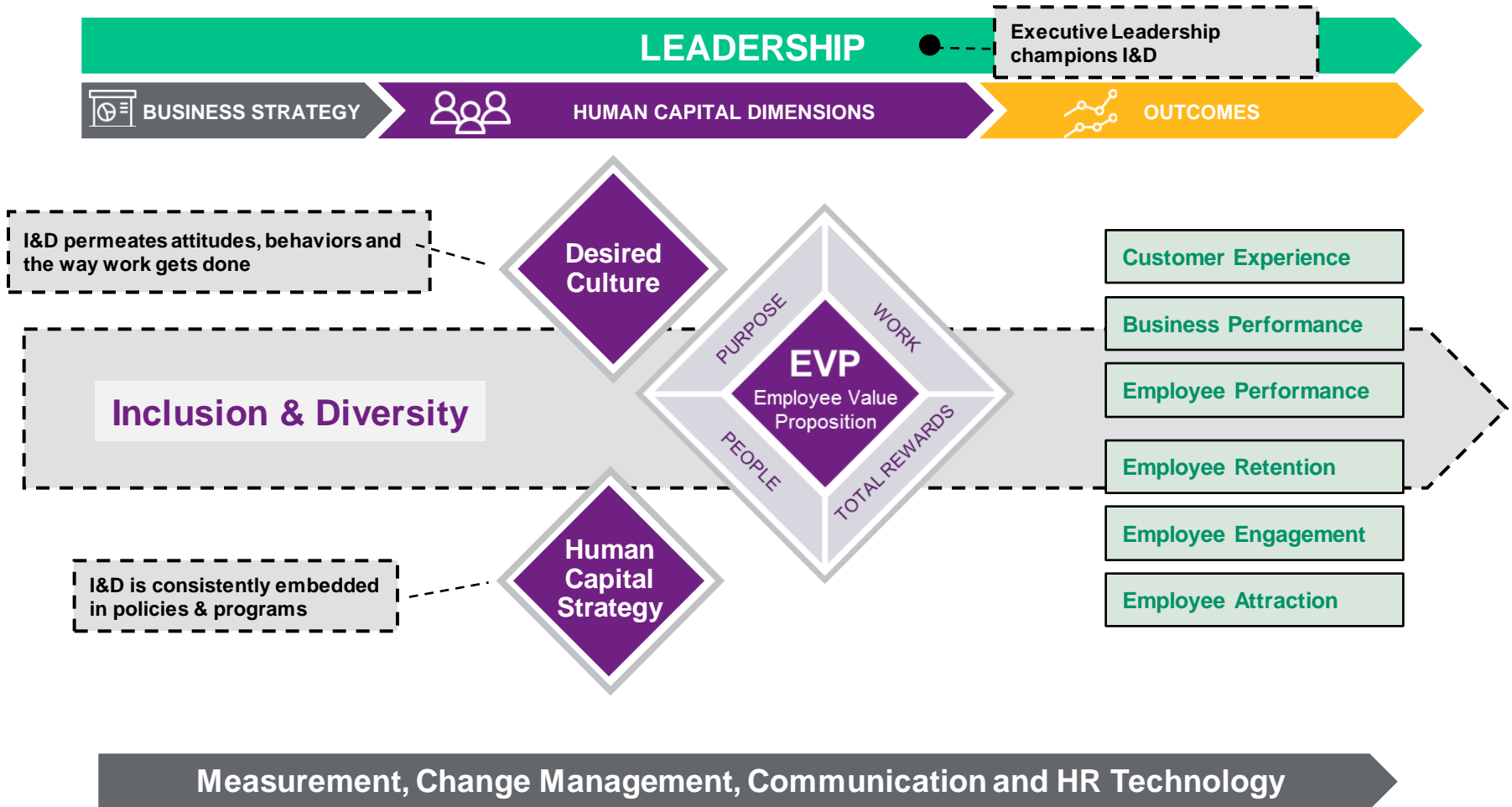
## A framework for success

I&D as a whole-system approach



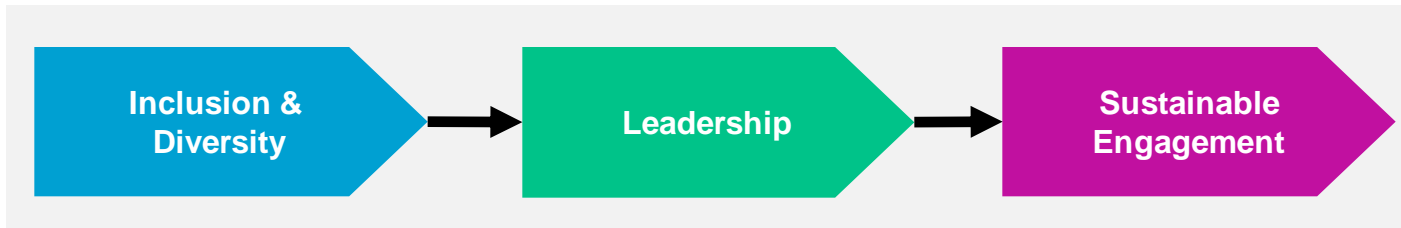
# I&D is the new normal

Diversity is a given, inclusion is an integral part of an effective human capital framework



# Employee attitudes: data to clinch the business case

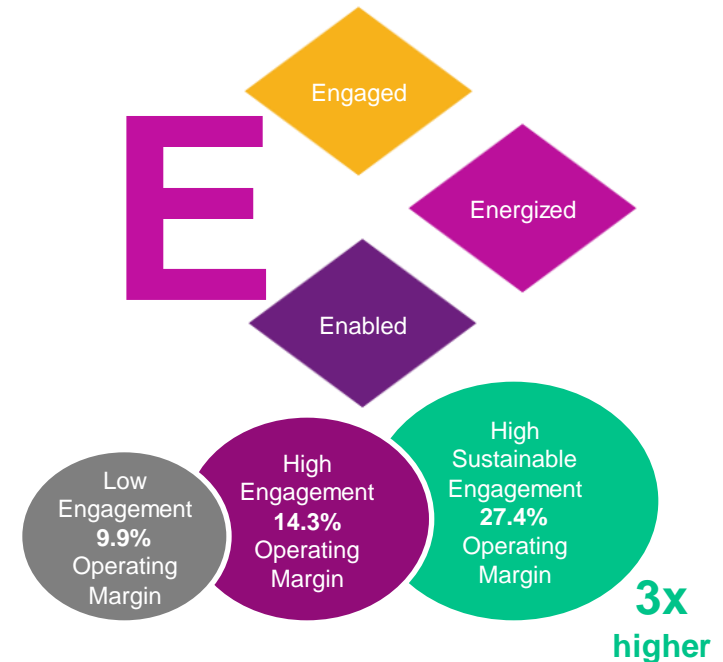
Employees who believe the company supports diversity and equal opportunity and that the working environment is accepting of differences are more likely to hold **Leaders and Managers in high regard** and thus have **higher levels of Sustainable Engagement**



- This company **supports diversity** in the workplace
- This company **supports equal opportunity** for all employees
- This company provides a working environment that is **accepting of differences**

- Company management is interested in the **well-being** of employees
- This company operates with **integrity** in its dealings with employees
- Employees are treated with **respect** here, regardless of their job
- Management decisions are consistent with the company's core **values**

Source: Towers Watson 2014 Norm Database, 27 companies (N=350,000)



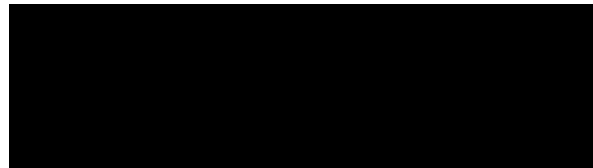
# Full integration of I&D into your human capital framework is a journey

Begin where you are



## Common bricks, different roads

Driving inclusion for LGBT employees



# Cross-industry study

## Implications of employee attitudes

### Four organizations

- Popular retailer
- Non-profit
- Global banking
- Large healthcare

**Over 200,000 employees**

**Over 5,000 LGBT employees**

### Demographic data

- Orientation
- Gender identity
- Age
- Race
- Differently abled
- Veteran status
- Tenure
- Job level
- Geography

### Survey topics

- Inclusion
- Engagement
- Retention
- Elements of the EVP (People, Work, Purpose, Rewards)

### Research methods

- Multi-factor analysis of variance
- Key driver analyses for critical demographic groups



# How are organizations measuring diversity?

How might they improve?

**Our perspective is that it is a win to measure any demographics inside an organization. However, more nuanced coding will capture better representation of orientation and gender identity.**

- **Retail**
  - Gender: Male vs. Female
  - Orientation: Lesbian, Gay, Bisexual, Heterosexual, Decline
- **Non-profit**
  - Gender: Male, Female, Non-Binary, MTF Transgender, FTM Transgender
  - Orientation: Lesbian/Gay/Bisexual vs. Heterosexual
- **Banking**
  - Gender: Male vs. Female
  - Orientation: LGBT-Yes vs. LGBT-No
- **Healthcare**
  - Gender: Male, Female, Non-Binary, MTF Transgender, FTM Transgender, Decline
  - Orientation: Lesbian, Gay, Bisexual, Heterosexual, Decline



# How are organizations measuring inclusion at work?

What are the key elements?

In our view, there are four elements of inclusion, addressing a sense of freedom to belong and achieve at work from both institutional and interpersonal angles.

- **Retail**
  - Fair Treatment: All employees are treated fairly
  - Respect: Support for everyone to feel like they belong
- **Non-profit**
  - Fair Treatment: Support for diversity at work
  - Equal Opportunity: Support for equal opportunity
  - Respect: All employees are treated respectfully
- **Banking**
  - Respect: All employees are treated respectfully
  - Fair Treatment: All employees are expected to act ethically
- **Healthcare**
  - Fair Treatment: Confidence in HR response to unethical behavior
  - Respect: Coworkers are respectful despite differences



## What did we find? Diagnosing inclusion gaps

Research provides direction, but still need to consider company culture on a case-by-case basis

**Multi-factor ANOVAs reveal the most persistent inclusion gaps. These gaps vary from company-to-company and demographic-to-demographic. Across the four studies, several themes arise.**

- Impact of demographic nuances
- Impact of intersectionality
  - Intersections of multiple minority statuses
  - Variable gaps by life stage
  - Intersection of trans or non-binary gender and non-binary orientation

Group	Low Net Inclusion Score*	High Net Inclusion Score	Interpretation
<b>LGB</b>	<b>-1%</b>	<b>-6%</b>	<b>Minority identity</b>
Lesbian or bisexual women		-9%	Double minority status
Gay or lesbian minorities		-7%	Double minority status
Younger LGB		-7%	Beginning to deal with inclusion issues
Older orientation-status “decliners”	-4%	-15%	Some likely hiding; no gap for older LGB
<b>Bisexual</b>		<b>-7%</b>	<b>Non-binary orientation</b>
Bisexual contractors		-9%	Multiple non-binary identities
<b>Transgender or non-binary</b>		<b>-22%</b>	<b>Trans or non-binary identity</b>
Transgender or non-binary bisexual		-36%	Multiple trans or non-binary identities

\*A “net” score is the percentage of favorable ratings on the inclusion index minus the unfavorable percentage

## What did we find? Drivers of inclusion

Research provides direction, but still need to consider company culture on a case-by-case basis

**Are the drivers of inclusion the same for LGBT employees? Regression analyses say yes and no. The most common drivers of inclusion across the four organizations are:**

- Empowerment
- Community
- Performance Management
- Career Management

**We cannot assume that inclusion drivers are the same for both LGBT and the overall population: sometimes they are the same, sometimes different.**

**On a company-by-company basis, different groups experience unique challenges.**

Industry	Group	Unique Drivers
Non-profit	LGB	Community (cooperation and openness)
Retail	LGB	Career management
Retail	Orientation-status “decliners”	<i>MORE</i> about community (vertical communication)
Banking	LGBT	Performance management
Banking	Lesbian or bisexual women	<i>MORE</i> about performance and valuing the right talent
Healthcare	LGB managers	Career management
Healthcare	LGB minorities	Career management
Healthcare	Transgender or non-binary	Work-life flexibility

## Driving inclusion in diverse situations

The I&D challenges associated with common inclusion drivers

What workplace issues are top-of-mind for employees within organizations that struggle with inclusion and diversity issues?

- Effective **talent management** differentiates all organizations struggling on I&D
- A weaker sense of **community** differentiates organizations with lower diversity
- A weaker **employee voice** on unique issues differentiates organizations with lower inclusiveness



Source: Towers Watson 2014 Norm Database, 27 companies (N=350,000)

# The role of the manager

Managers and leaders are the inclusion front line – they need to be engaged and retained in order to manage inclusively

This study suggests that **career prospects** are key to engaging some LGB managers as well as to retaining employees at all levels

Engaged managers can be coached to adopt the **inclusive leadership behaviors** that will engage their teams.

*Talent Management: unique driver of sustainable engagement for LGB Managers in Banking\**

*Talent Management: top driver of retention for all four organizations studied*

Ensures everyone speaks up and gets heard

Takes advice and implements feedback

Makes it safe to propose novel ideas

Gives actionable feedback

Empowers team members to make decisions

Shares credit for team success

\*Talent Management does appear as a driver for managers and non-managers in the other organizations, but for the Bank we studied, it was uniquely for LGB Managers

## Final word

Don't assume that difference means different treatment: inclusion efforts have to be inclusive

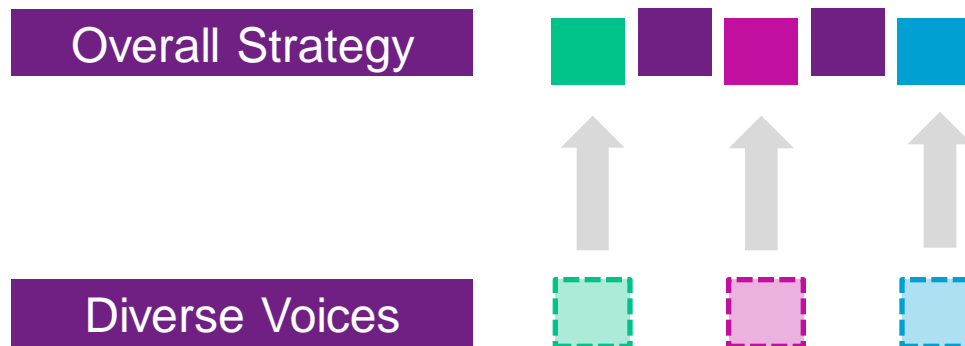
### LGBT employees sometimes have common experiences, but *sometimes they don't*

- Not always a significant LGBT gap for inclusion
- Impact of demographic nuances, double minority status, and multiple trans or non-binary identities

### Unique inclusion issues facing LGBT employees varies from company-to-company

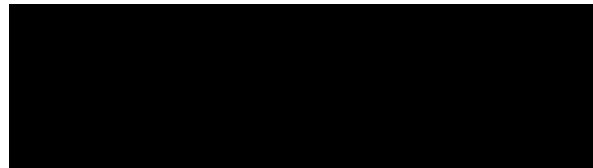
- Empowerment is a common inclusion issue for all employees
- Unique career or performance management issues for LGB in three studies, communication issues for “decliners” in retail, and work-life flexibility issues for transgender or non-binary in healthcare
- These inclusion issues are associated with different system-level challenges

To do: listen to diverse voices and “elevate” those to the overall strategy – hence the inclusion diagnostic



# Becoming an I&D “diagnostician”

From insights to action

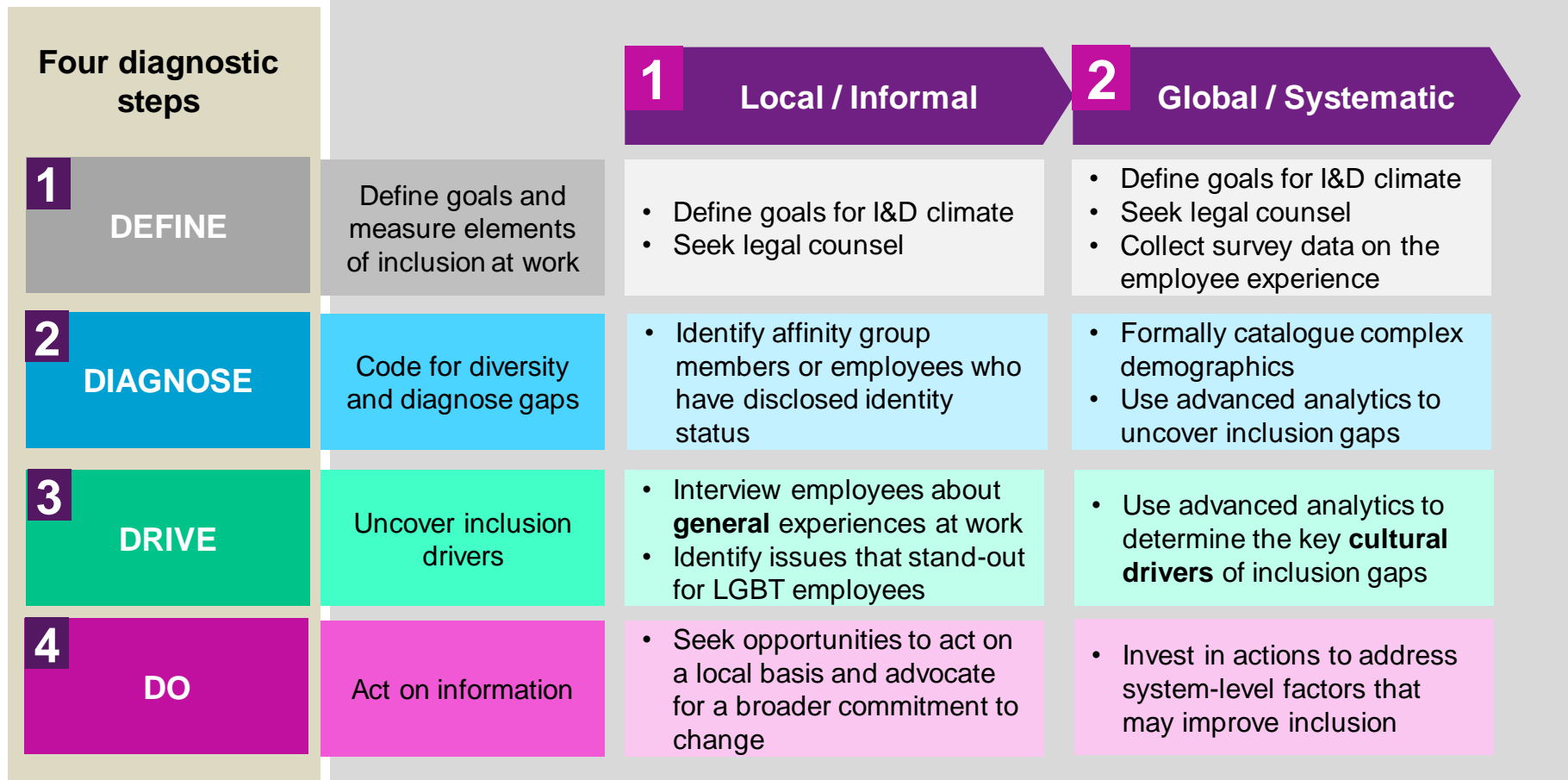




# Diagnose the most critical inclusion gaps and drivers

How you might identify and act on inclusion gaps

**Two stages of analysis and action:** diagnosing and optimizing for inclusion could take place at two levels of resources and commitment



# Matrix of action steps

## Embedding I&D into human capital and talent management

**Four stages to full integration:** we recommend starting with a human capital strategy & governance audit, including interviews with top leaders



Thank you

