

Global LGBT Workplace Equality

Recent Findings from The Economist
and Open for Business



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- Isabel Porras, Associate Director of Research, Out & Equal

Pride and Prejudice

- The Economist Intelligence Unit
- February 2016
- Surveys 1,021 global leaders



Pride and Prejudice

1. A Minority Hidden in Plain Sight
2. Queer Geographies
3. Achieving Visibility
4. The Elusive Diversity Dollar
5. Business, Out in the World
6. Legal Pink Areas: Business and anti-LGBT laws



A minority hidden in plain sight

- 9 in 10 respondents “agree that having a diverse and inclusive workforce is a global business advantage”.

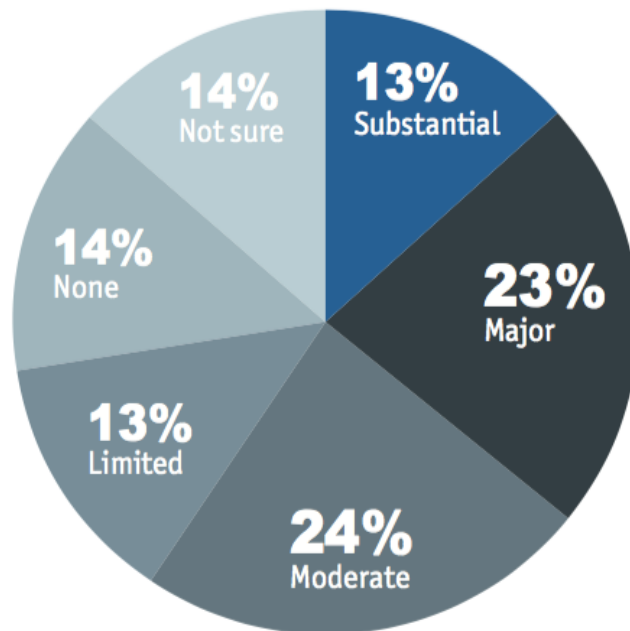
A minority hidden in plain sight

March of progress



To what extent do you believe your company has made progress in sexual orientation and gender identity diversity over the past five years?

(% respondents)

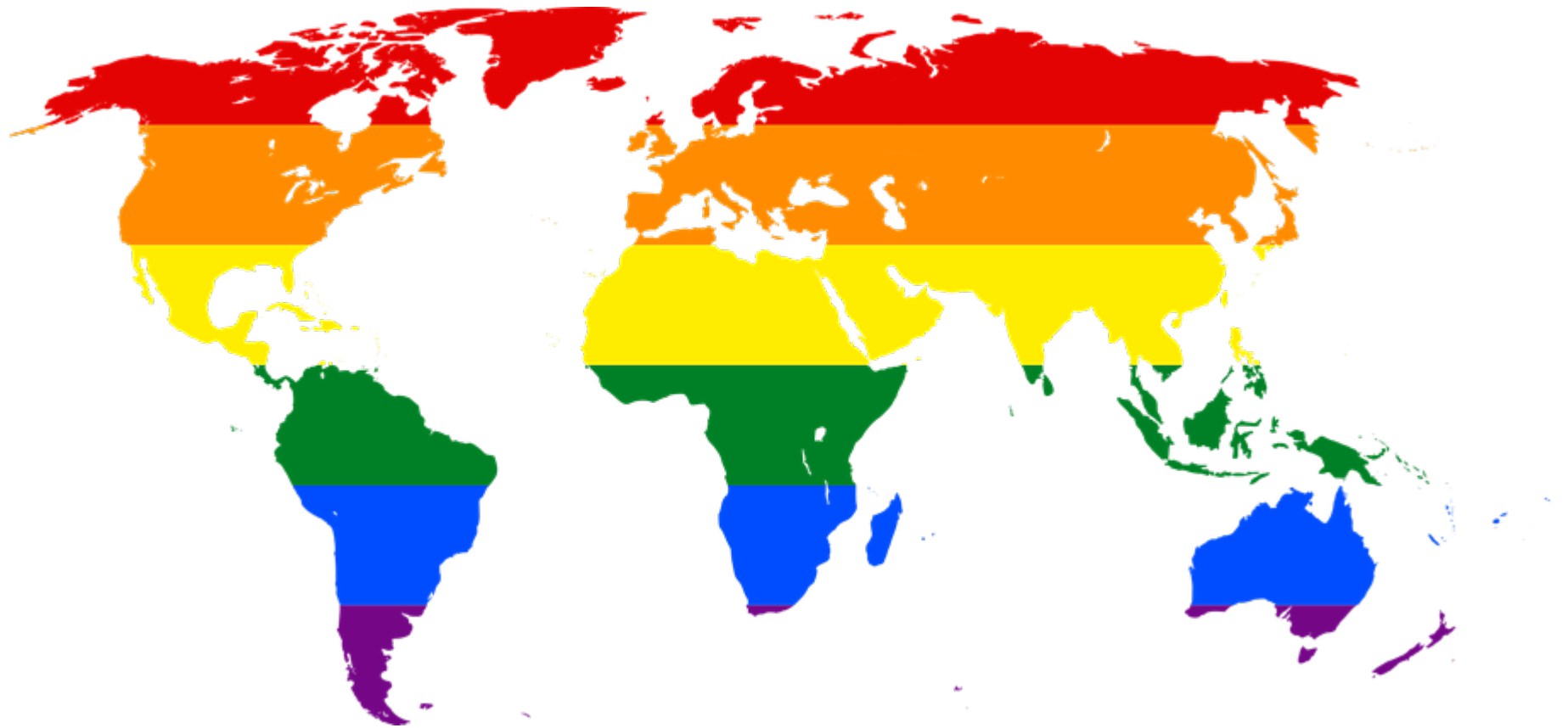


Source: The Economist Intelligence Unit.

Claim: The LGBT “cloak of invisibility” hinders ostensible progress.

Awareness is key!

Queer Geographies



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Visibility

- Compared to Middle Eastern and African workers, North Americans are 88% more likely to have LGBT colleagues. Europeans are 54% more likely.

Visibility

- Compared to Asian workers, North Americans are 59% more likely to have LGBT colleagues. Europeans are 30% more likely.

Visibility- Latin America



Only 1 in 6 Latin American companies have an LGBT advocate.

The Economist Intelligence Unit, "Pride and Prejudice: Attitudes and Opinions Toward LGBT Inclusion in the Workplace." February 2016. <http://prideandprejudice.economist.com/>

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Achieving Visibility

- 1 in 2 respondents said corporate culture is “most important factor” in LGBT employees’ workplace experience.

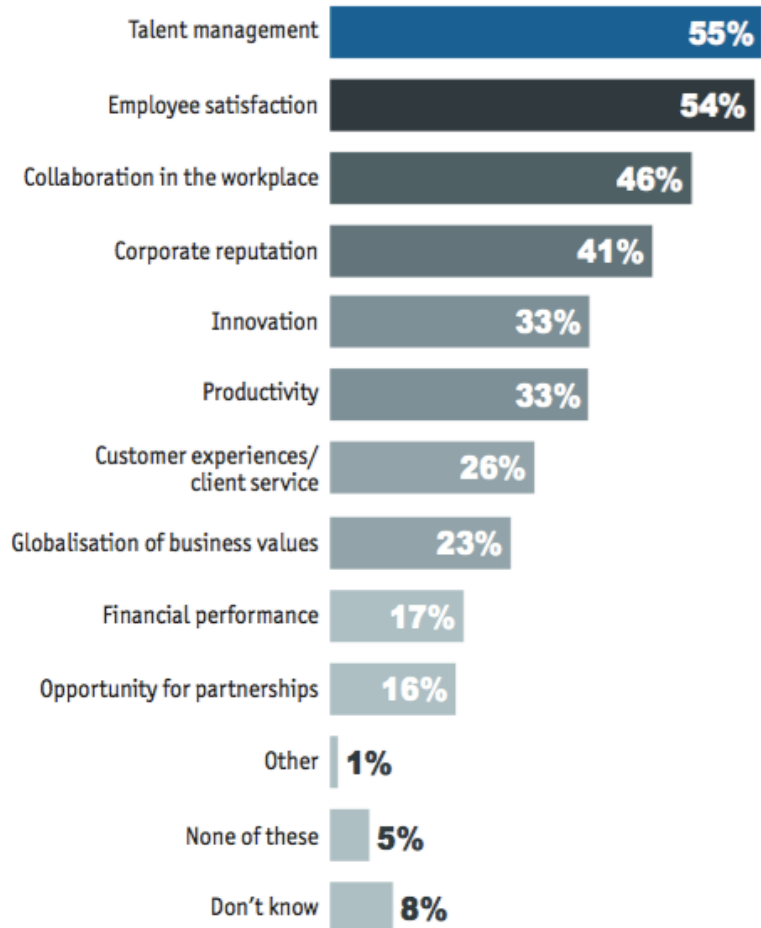
The Elusive Diversity Dollar

- In regions with high levels of advancement, executives **appear less willing** to put money into raising LGBT workplace visibility.
- Few believe LGBT workplace inclusion boosts the bottom line.

Rainbow of benefits

Q When diversity based on sexual orientation and gender identity is at its best in the workplace, which of the following business aspects do you believe could be most positively impacted?

(% respondents)



Source: The Economist Intelligence Unit.

The Elusive Diversity Dollar

- 1 in 4 believe diversity in general has positive impact on financial performance
- 1 in 6 believe LGBT diversity has a positive impact on financial performance

Visibility

The presence of LGBT advocates at work doubled respondents' likelihood of recognizing the financial benefits of LGBT diversity

Business, Out In The World

“Business has a fundamental imperative to drive change around LGBT diversity and inclusion.”

Who is more likely to agree?

Who is more likely to agree?

- Workers 39 or younger “significantly more likely” to agree than those 60+
- Women “far more likely” to agree than men
- Those with LGBT coworkers were 65% more likely to agree

Legal Pink Areas

Business and Anti-LGBT Laws

Respondents overwhelmingly agree that global companies need both to mandate compliance with their diversity and inclusion policies as well as consider local beliefs and cultures when creating said policies.

The Economist Intelligence Unit, "Pride and Prejudice: Attitudes and Opinions Toward LGBT Inclusion in the Workplace." February 2016. <http://prideandprejudice.economist.com/>

OUT & EQUAL
WORKPLACE ADVOCATES

Takeaways

- Majority agree diversity is business advantage, but
- Struggle to see financial benefits
- Visibility improves likelihood of recognizing profit benefits

Takeaways

- Need to solidify business case for LGBT diversity and inclusion
- Make dollars and sense

Discussion

Do *The Economist's* findings reflect your workplace experience? How so, or where do they differ?

What can be done to better make the financial business case for LGBT equality? What strategies worked for you, and what has not been as successful?

Can you share examples of global nondiscrimination policies that are culturally sensitive?

Open for Business

- Open for Business: coalition of global companies supporting LGBT inclusion.
- Sept. 2015



Business Case for LGBT Equality & Inclusion

- Findings: open, diverse societies are better for both business and economic growth.
- Business thrives in tolerant societies

LGBT Inclusion- Opportunity

A. Economic Performance

Strong growth, higher levels of entrepreneurialism

B. Business Performance

Superior innovation, profit, and performance

C. Individual Performance

Greater employee productivity & contributions

LGBT Inclusion- Risk

A. Employee Safety & Security

- Harassment, violence, criminal convictions

B. Non Compliance

- Conflict between local laws, global codes of conduct

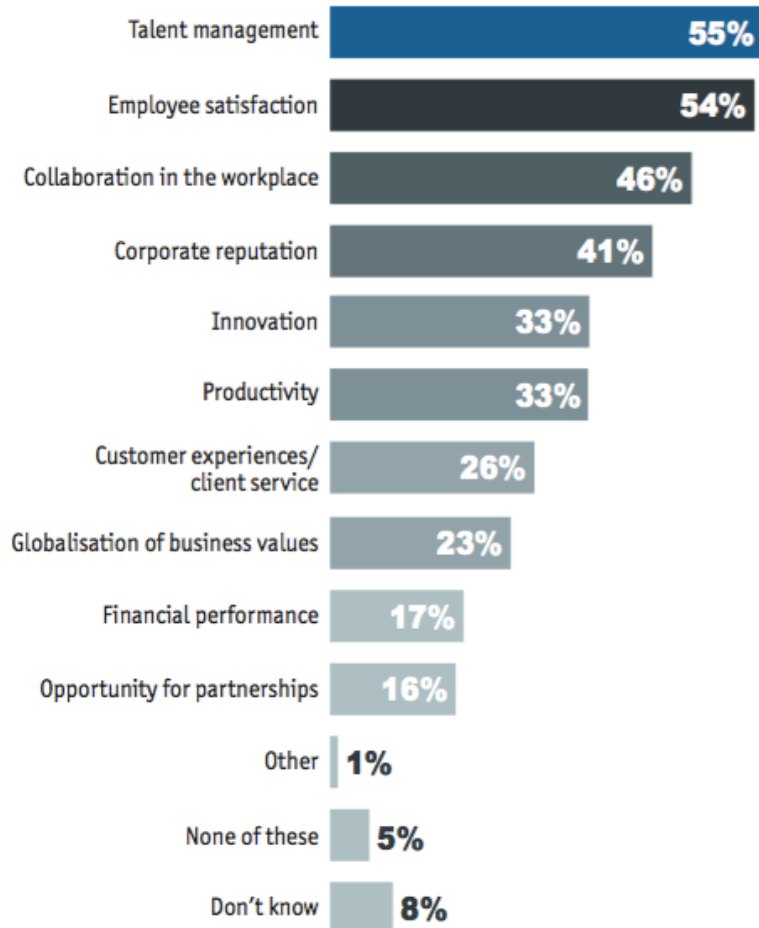
C. Brand & Reputation

- Hostile activism, negative consumer & employee opinions

Rainbow of benefits

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(% respondents)



Source: The Economist Intelligence Unit.

Economic Performance

A. Economic performance

Proposition 1: Urban Economic Growth

LGB&T inclusion signals a diverse and creative environment, which creates the right conditions for urban economic growth.

Proposition 2: Entrepreneurship

LGB&T inclusion results in higher levels of enterprise, creativity and innovation.

Proposition 3: Corruption

LGB&T discrimination often goes hand-in-hand with a culture of corrupt practices and a lack of openness.

Proposition 4: Foreign Direct Investment

LGB&T inclusion is associated with countries which attract higher levels of foreign direct investment.

Proposition 5: Global Markets

LGB&T discrimination may inhibit local companies from connecting to global markets.

Proposition 6: Brain-drain

LGB&T discrimination results in a 'brain drain' – the emigration of talented and skilled individuals.

Proposition 7: Health

LGB&T discrimination leads to negative economic consequences as a result of poor health outcomes.

Proposition 8: National Reputation

LGB&T discrimination can shape perceptions on a world stage, with a negative impact on tourism, talent attraction and export markets for consumer goods.

Proposition 9: National productivity

LGB&T discrimination leads to lower levels of national productivity.

B. Business performance

Proposition 10: Attracting Talent

Companies that are more diverse and inclusive are better able to compete for talented employees.

Proposition 11: Retaining Talent

Companies that are more diverse and inclusive have higher rates of retention of talented employees.

Proposition 12: Innovation

Companies that are more diverse and inclusive have higher levels of innovation and creativity.

Proposition 13: Collaboration

Companies that are more diverse and inclusive create an atmosphere of trust and communication, which is essential to effective teamwork.

Proposition 14: Customer Orientation

Companies that are more diverse and inclusive are better able to anticipate customer needs and to access a broader client base.

Proposition 15: Brand Strength

Companies that are more diverse and inclusive have greater brand appeal and loyalty with consumers who want socially responsible brands.

C. Individual performance

Proposition 16: Authenticity

Individuals working in open, diverse, inclusive environments are able to be themselves, instead of concealing important aspects of their identity.

Proposition 17: Motivation

Individuals working in open, diverse, inclusive environments have higher levels of motivation.

Proposition 18: Affinity

Individuals working in open, diverse, inclusive environments have greater affinity with values and culture of the workplace.

Proposition 19: Satisfaction

Individuals working in open, diverse, inclusive environments have higher levels of satisfaction.

Proposition 20: Health

Individuals working in open, diverse, inclusive environments are free from discrimination – a cause of poor mental health and physical violence.

Proposition 21: Speaking Up

Individuals working in open, diverse, inclusive environments are more likely to speak up with suggestions to improve performance.

Proposition 22: The Extra Mile

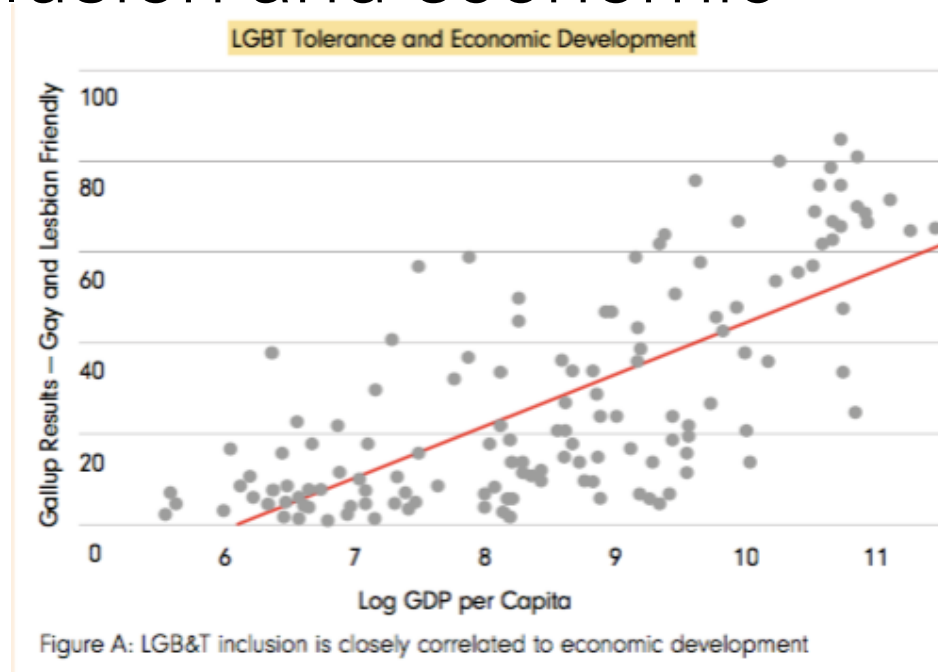
Individuals working in open, diverse, inclusive environments are more likely to go beyond their formal remit and make a contribution to the culture of the company.

Proposition 23: Individual Productivity

Individuals working in open, diverse, inclusive environments have greater productivity – more efficient work with higher quality outputs.

Economic Performance

- Researchers find a **strong correlation** between LGBT inclusion and economic development.



Foreign Direct Investment

- LGBT inclusion is associated with countries which attract higher levels of FDI.

Foreign Direct Investment

- “Quality of life” factors (inc. tolerance and inclusion) are “equally important” factors as infrastructure, education, personal and political security in attracting an international workforce.

Global Markets

- Diverse and inclusive environments attract more business from global companies
- Anti-LGBT laws can inhibit global customers from using local suppliers
- How many of you have global supplier codes of conduct?

Brain Drain

- LGBT discrimination results in emigration of skilled/talented workers
 - Specifically, reports find significant emigration from India, Jamaica, Nigeria, Russia and Uganda as a result of LGBT discrimination

National Reputation

- LGBT discrimination shapes perceptions of the nation
- Can negatively impact:
 - Tourism
 - Talent attraction
 - Export markets for consumer goods

National Productivity

- LGBT discrimination leads to lower levels of national productivity
- Exclusion of LGBT employees leads to:
- Lost labor time,
- Underinvestment of human capital,
- Inefficient allocation of capital through discrimination

Economic Performance

- Foreign Direct Investment
- Global Markets
- Brain-drain
- National Reputation
- National Productivity

Takeaways

- LGBT inclusive nations tend to:
 - draw higher foreign direct investment
 - Better connect to global markets
 - Attract/retain top skilled employees
 - Enjoy a greater reputation on the world stage
 - Benefit from higher rates of productivity

Risky Business

Business Risk

A. Employee safety & security

Scenario 1: Criminal Conviction

Risk of arrest and/or Conviction of LGB&T employees for participating in same-sex sexual activity.

Scenario 2: Non-Reporting of an LGB&T Individual or Supporter

Risk of violating anti-LGB&T laws that require people known to be LGB&T to be reported to authorities.

Scenario 3: Violent Action Against the Company and/or Employees

Risk of attack of employees and/or company property through opportunistic violence and/or vigilante activity.

B. Non-compliance risk

Scenario 4: Promoting Non-Traditional Sexual Relationships

Risk of violating laws prohibiting the promotion of "non-traditional sexual relationships" through LGB&T networks, or through inclusion and diversity communications.

Scenario 5: Global Mobility of Employees

Risk of failing to comply with legal requirements to provide safe and secure working conditions to employees overseas.

Scenario 6: Equal Benefits for Employees

Risk of failing to comply with non-discrimination legislation by not paying full spousal benefits to employees overseas.

C. Brand & reputation risk

Scenario 7: Misaligning with the Global Emerging Middle Class

Companies operating in anti-LGB&T environments may be forced to take positions inconsistent with the values of the commercially critical global middle class.

Scenario 8: Alienating Global Millennial Consumers and Employees

Companies operating in anti-LGB&T environments may be forced to take positions inconsistent with the values of global Millennials.

Scenario 9: Risks Facing Global Companies Marketing to Consumers in Anti-LGB&T Environments

Marketing activities in countries with strong anti-LGB&T sentiment may be at odds with the values of the company and the expectations of global consumers.

Scenario 10: Falling Out of Step with Corporate Stakeholders

Companies not vocally supporting global LGB&T inclusion may become estranged from the communities from which they draw workers, partners and customers.

Scenario 11: Appearance of Hypocrisy and "Pink Washing"

Companies not vocally supporting global LGB&T inclusion but promoting their diversity credentials at home may be accused of hypocrisy.

Scenario 12: Failing to Take a Clear Position on Global LGB&T Inclusion

Risk of criticism from the public groups who expect global businesses to take a clear position on LGB&T inclusion overseas as well as at home.

Break!