

LGBTQ+ voices

Learning from lived experiences

New research reveals the challenges that LGBTQ+ employees face, and six ways to help them bring their authentic selves to work.

by Peter Bailinson, William Decherd, Diana Ellsworth, and Maital Guttman

Is your company a welcoming place for lesbian, gay, bisexual, transgender, and queer (LGBTQ+¹) employees? If you are like many other leaders, you might think that it is: your diversity and inclusion (D&I) initiatives are in place, some employees are out as LGBTQ+, and people seem to respect one another's differences. The US Supreme Court made discrimination against workers based on their gender identity or sexual orientation illegal on June 15; your company has been actively fighting such discrimination for years. As one person we interviewed put it, some leaders at his company seem to have the following perspective: "We're a really decent place. We don't have any nightmare people. So we don't have a problem. Right?"

¹ LGBTQ+ also includes people of other sexual orientations and gender identities. The Human Rights Campaign defines sexual orientation as "an inherent or immutable enduring emotional, romantic, or sexual attraction to other people"; the group defines gender identity as "one's innermost concept of self as male, female, a blend of both or neither—how individuals perceive themselves and what they call themselves," noting that "one's gender identity can be the same or different from their sex assigned at birth."

But while diversity and inclusion have climbed corporate agendas over the past decade, many LGBTQ+ employees continue to face discrimination, discomfort, and even danger in the workplace. When it comes to true inclusion, everyday interactions with peers and leaders matter as much as organizational policies or formal processes. In short, your company may not be as inclusive as you think it is.

To learn how LGBTQ+ employees are faring in today's workplaces, we compiled a broad set of data, both quantitative and qualitative. First, we surveyed more than 2,000 employees at a variety of organizations worldwide; respondents ranged from entry-level to CEO and included both LGBTQ+ and non-LGBTQ+ employees.² To ensure that LGBTQ+ voices were prominent, we interviewed and conducted focus groups with members of The Alliance, a global network of LGBTQ+ leaders from public-, private-, and social-sector institutions.³ Finally, we drew on our ongoing Women in the Workplace research, which has shed light on the experiences of LGBTQ+ women.⁴

Our research illuminates the everyday experiences of LGBTQ+ employees, many of whom remain in the closet. In this article, we share what we've learned about the challenges these employees face, including firsthand accounts and reflections from LGBTQ+ people about their work lives and environments. Such voices are essential to any conversation on inclusion, whether the focus is on ending gender discrimination, racial discrimination, or any other kind of discrimination. Listening and learning about employees' lived experiences is the first step business leaders must take if they want to create fairer workplaces.



“One of the biggest challenges I’ve ever faced was coming out in the workplace as genderfluid and nonbinary.”

—Pips Bunce, director,
Credit Suisse

² The online McKinsey Global Survey was in the field from September 10 to September 20, 2019. To adjust for differences in response rates, the data are weighted by the contribution of each respondent's nation to global GDP. For additional survey findings, see “Understanding organizational barriers to a more inclusive workplace,” June 2020, McKinsey.com.

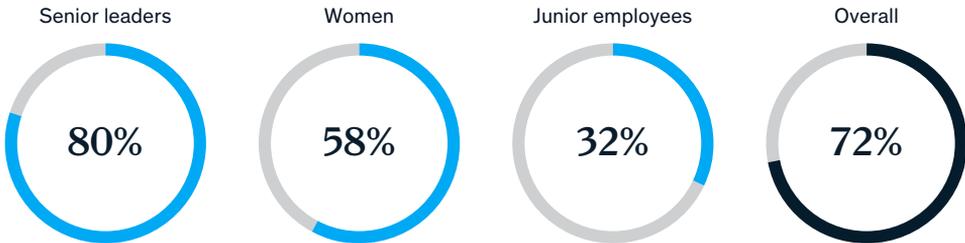
³ The Alliance members we spoke with hail from a range of countries, including Canada, China, France, Ireland, Singapore, the United Kingdom, and the United States.

⁴ See Jess Huang, Alexis Krivkovich, Irina Starikova, Lareina Yee, and Delia Zanoschi, “Women in the Workplace 2019,” October 2019, McKinsey.com.

Exhibit 1

Coming out at work is more challenging for women and junior employees.

Share of LGBTQ+ employees who are broadly out at work¹



¹Overall sample size = 159. For senior leaders (senior vice president, C-suite executive/president), n = 88; for women, n = 41; for junior employees (entry-level employee, associate, or manager), n = 14. While these sample sizes are small, the results are statistically significant. Of the 2,030 survey respondents, 159 people identified as LGBTQ+. Since only 7 respondents identified as trans or nonbinary, our survey did not yield significant data on the percentage who are out at work. Source: 2019 McKinsey Global Survey

The voices you will hear in this article and the research we have conducted have led us to recommend six key changes to help improve workplaces for LGBTQ+ employees and for employees who have LGBTQ+ family members. Supporting a diverse workforce is easier said than done, we recognize. Our intent is to inspire integrated action that meets the needs of *all* employees. Executives who embrace this opportunity can become more effective leaders and boost the empathy, effectiveness, and productivity of their organizations.

LGBTQ+ life at work today

We'll start with the unique workplace challenges facing LGBTQ+ employees.

Coming out

Foremost among them is coming out. More than one in four LGBTQ+ respondents are not broadly out at work (Exhibit 1). One interviewee explained that while she had overcome a number of difficulties over the course of her career,⁵ one of the biggest challenges she had faced was “coming out in the workplace as genderfluid and nonbinary, because I was one of the first people who had come out as that—certainly in financial services.”

Coming out—and being out—matters. One interviewee described being out as key to forming relationships: “My successful professional relationships are underpinned by really getting to know the people I'm working with. When that's happening, I want to be open about my identity. Otherwise, it's hard to deeply relate to people and instill in clients a sense of confidence.” Feeling unable to come out, another interviewee told us, “contributes to lower workplace productivity, because it is stressful and debilitating.”

Often, coming out means more than simply letting people know that one identifies as LGBTQ+. As one person explained, “Coming out is going to the frontier of how authentic

⁵ The people we interviewed use a variety of pronouns to self-identify. This interviewee's pronouns are “she,” “her,” and “they.”

and transparent I want to be about who I am, in a way that creates as much freedom and ease at work as is comfortable and possible for me.” Only at his current workplace was he able to come out fully: “Recently, at a senior-executive retreat, I talked about growing up in an evangelical church as a child of immigrants, and then basically being told in college that I was disowned. (My family eventually came around.) I had never come out at work like that.” Still, he added, “Not everyone wants to go all the way to that level. And that’s fine too.”

Our research reveals four complexities of coming out at work:

- ***Coming out is especially challenging for junior employees.*** Only one-third of LGBTQ+ survey respondents below the level of senior manager reported being out with most of their colleagues.⁶ As one person explained, “Being authentic once you’ve made it is easier than being authentic when you haven’t.” Yet even among senior leaders, many remain in the closet. Of the LGBTQ+ senior leaders we surveyed, one in five is not broadly out at work.
- ***Women are far less likely than men to be out.*** Only 58 percent of the LGBTQ+ women we surveyed (compared with 80 percent of LGBTQ+ men) said that they are out with most colleagues. One reason: existing gender discrimination. One interviewee reflected that, as a woman, “you always had to be perfect in terms of how you looked and what you did, and your work always had to be better than everybody else’s. So there was almost that thing of, ‘Why add anything else to make it more difficult?’”



“There’s a lot of simple work that needs to happen right now.”

—**Ana Arriola**, general manager and partner for AI and research, Microsoft

⁶ Importantly, some LGBTQ+ respondents may have chosen not to identify themselves as LGBTQ+ in our survey. This means that the percentage of respondents who are out could be even lower. (Overall, survey respondents who identified as LGBTQ+ would be more out than the general population of LGBTQ+ people.)

- *Coming out is more difficult for people outside Europe and North America.* While three-quarters of North American respondents and 78 percent of European respondents were broadly out at work, only 54 percent of respondents from other regions reported being out with most of their colleagues.
- *People who are open about being LGBTQ+ often have to come out repeatedly.* Nearly half of LGBTQ+ respondents reported having to come out at work at least once a week in the past month. One in five respondents had to come out multiple times a week, and one in ten said they had to come out on a daily basis. One termed this the “multiple coming out conundrum,” adding, “I think straight people don’t get it.” A gay man at a Japanese multinational related: “It’s in my bio—I’ve been out about my family since I joined this company. Still, I have these dinner conversations with senior executives who ask, ‘Is your wife Japanese?’ It’s a constant.”

The experience appears widespread: a lesbian partner at an international law firm reflected, “It makes life difficult because you’re coming out all the time. We all get those questions from clients, like, ‘What does your husband do?’” Having to come out repeatedly can take a toll. One interviewee described the effort in an earlier role as “psychologically draining.” Things are better in her current role: “Being someplace where I can just be out, know it’s OK, and take that noise out of the system, I do think has helped me focus.”

All in all, coming out at work can be a fraught experience. Some 37 percent of survey respondents reported feeling uncomfortable at least once in the past month with coming out at work. In some cases, coming out may lead to abuse. One Canadian interviewee recalled, “My colleague overheard a conversation when I was making plans for the weekend and figured out I’m gay. My life was a living hell. She lobbed Bible verses over the cube. Since she was a senior person compared to me, I thought that my life was over.”

Unfortunately, coming out is far from the only challenge that LGBTQ+ people still face in the workplace.

Discrimination

LGBTQ+ employees report substantial barriers to advancement, with many believing that they have to outperform non-LGBTQ+ colleagues to gain recognition. One interviewee shared an anecdote about developing a business plan for a struggling subsidiary. He had envisioned a new structure for the organization, built a team, brought in talent, and put himself forward to lead as CEO. Even though his business plan was implemented, he was passed over for the top job. A colleague he described as supportive told him, “It’s not going to happen as long as you’re a person of color and LGBTQ+.” The interviewee explained that he chose to persevere: “I just keep being the best that I can be in my current role. My results speak for themselves, and when the next opportunity comes, I’m going to put my hand up again.” Of course, not all discrimination is so blatant—but whether overt or unspoken, it remains limiting.

Our Women in the Workplace survey (which includes people of all genders) also points to barriers to advancement. Some 40 percent of LGBTQ+ women felt they needed to

provide extra evidence of their competence. In addition, trans and nonbinary respondents were far more likely than cisgender people (men who were assigned male at birth and women who were assigned female at birth) to be in entry-level positions.

Company policies can make life harder for LGBTQ+ employees. Only about half of Fortune 500 companies provide benefits for domestic partners, and fewer than two-thirds offer trans-inclusive healthcare coverage.⁷ LGBTQ+ employees may also face hurdles qualifying for parental leave. A gay man who is having a child through a surrogate recounted: “I went through a painful process with my partnership, explaining that it isn’t appropriate to have a family policy that gives me no family leave as a matter of right. I may well be the primary caregiver. I should get the same eight months paid leave as every other partner. And I got it. But I shouldn’t have to explain that.” Other challenges present themselves on a daily basis; some LGBTQ+ employees do not feel comfortable using women’s or men’s bathrooms, and, in many workplaces, these are the only options. One nonbinary person (who does not identify as a man or a woman) put it simply: “I did not have access to restrooms where I felt safe.”

LGBTQ+ employees may also face discrimination from clients, vendors, or other business partners. One British interviewee recalled instances where a client asked that an LGBTQ+ colleague be removed from the team “because they were not happy a gay person was on their project.” This occurred even though the client company supported inclusion: “We raised the issue with the client’s senior management, because most of the people we work with would be shocked if someone said that.” The interviewee’s firm stood behind its LGBTQ+ employees: “We have a policy of not being neutral about this. If you can’t be your authentic self on a client team, we probably wouldn’t continue working with that client.”

These are travails that LGBTQ+ people face in countries that are ostensibly safe for them. When they travel, they can face overt discrimination, danger, and legal jeopardy. More than one-third of UN member states—including half of Asian members and nearly 60 percent of African members—criminalize same-sex sexual acts.⁸ In some cases, the penalty is life in prison or death. In certain countries, simply being transgender is illegal. Interviewees told us that they even worry about safety in places considered welcoming toward LGBTQ+ people. One British interviewee is “very careful in the US, because the reactions you get are unexpected.” Another executive was harassed in a central European country where she had previously felt safe. In fact, many LGBTQ+ people live in countries where human-rights abuses remain widespread.

Finally, LGBTQ+ employees face significant legal barriers when it comes to immigration, as many countries still do not recognize LGBTQ+ relationships. One interviewee went so far as to say that immigration laws had shaped his entire career, noting that “at a global corporation, the expectation is that you’re willing to move around.”

⁷ *Corporate Equality Index 2020: Rating workplaces on lesbian, gay, bisexual, transgender and queer equality*, Human Rights Campaign Foundation, [hrc.org](https://www.hrc.org).

⁸ Lucas Ramón Mendos, *State-sponsored homophobia 2019: Global legislation overview update*, ILGA World, December 2019, [ilga.org](https://www.ilga.org).

Microaggressions

For many LGBTQ+ employees, office life means navigating a series of microaggressions, such as hearing disparaging remarks about themselves or people like them. More than 60 percent of LGBTQ+ respondents reported needing to correct colleagues' assumptions about their personal lives. Notably, four in five LGBTQ+ women below the level of senior vice president had to do so. Some LGBTQ+ people face the painful experience of being misgendered, or referred to by a pronoun that does not accord with their gender identity.

LGBTQ+ respondents were also significantly more likely than other respondents to report hearing derogatory comments or jokes about people like them. One recounted an incident at a company event early in his career: "I interned at a company where I wasn't out. At the all-company meeting that summer, one of the senior partners went on stage—there was a tradition where this partner would do stand-up comedy—and made a number of really homophobic comments. I thought, 'This confirms that I shouldn't come out here—and also that I shouldn't work here.'"

Isolation

LGBTQ+ people are underrepresented in corporate environments, and many report being an "only" in their organization or on their team—the only lesbian or the only trans person, for example.⁹ Being an "only" can fuel anxiety and isolation and can result in other disadvantages. For example, LGBTQ+ employees often lack role models who share their identity. One French executive told us: "I had absolutely no role model, because none of the gay guys wanted to be out in the workplace." Fewer than one-fourth of LGBTQ+ survey respondents reported having an LGBTQ+ sponsor, and only about half of LGBTQ+ respondents (compared with two-thirds of non-LGBTQ+ respondents) said that they saw people like themselves in management positions at their organizations.



“Being someplace where I know it’s OK to be out has helped me focus.”

—Ginny Too, vice president of commercial strategy, Comcast

⁹ Our Women in the Workplace research reveals that LGBTQ+ women are twice as likely as women overall to report being an “only”; trans people are also far more likely than cisgender people to be an “only.”

Interviewees described being pigeonholed as LGBTQ+. One interviewee recalled, “I got introduced to somebody at a party, and he said, ‘Oh, you’re that gay lawyer from Atlanta.’ I replied, ‘I really think of myself as a whole lot more than that.’ But that’s how people will label you.” Another interviewee expressed concern that his firm was putting him on display to burnish its progressive credentials: “For many years, I was the only openly gay partner in quite a big firm. You have to deal with them wanting to roll you out.”

Others reported being consigned to positions related to their identity. One interviewee described an incident at a global board meeting: “I was the only person of color and only one of two LGBTQ+ members, and the only panel they asked me to join was the diversity panel. The meeting was about growth, and my title was chief growth officer.”

Six keys to making the workplace friendlier for LGBTQ+ employees

The first step toward improving the experiences of your LGBTQ+ employees is to understand their challenges, including those we’ve outlined so far. All leaders should stay connected to what it means to be LGBTQ+ at work; this type of learning never ends.

Some companies have already recognized the importance of this kind of learning at the top. The multinational law firm Linklaters, for example, piloted a reverse mentorship program in 2018 to deepen senior leaders’ understanding of LGBTQ+ people (as well as ethnic minorities and people from different social backgrounds); the firm launched a second round of the program last year.¹⁰ Our research suggests that reverse mentoring is effective. It allows leaders to ask questions and engage in open dialogue. One focus group participant reflected, “There’s this climate of fear. Reverse mentorship is really important because it gives people the opportunity, safety, and space to make a mistake.” The experience can be transformative, even for executives who are already promoting inclusion. Another participant described mentoring his company’s president: “He’s not homophobic or anything like that. He’s pretty open. But he never realized what needed to be done. It was only by engaging more, by having a direct example of what it means to be gay in the workplace that he realized, ‘I need to get more involved, and visibly involved.’”

Having policies on the books is not enough. One executive at TD Bank described the reaction of the bank’s former CEO when he learned that a senior executive was out at home but afraid of coming out at work. “He took a step back and said, ‘What am I doing? I’ve failed as a CEO.’ TD was the first bank in Canada to offer same-sex spousal benefits to employees, in 1994. We had this policy in place, and yet this executive didn’t feel comfortable coming out. Our CEO asked, ‘What am I doing wrong?’”

As the TD Bank interviewee put it, “Policies and procedures are just one part of the D&I mix. You’ve got to execute and you’ve got to live it. We weren’t *living it* at the time. That’s where he woke up.” At the time, TD Bank had about 50,000 employees. When the CEO asked HR how many people had claimed benefits for same-sex partners, the answer was eye-opening: “*Ninety*. It was abysmal. People thought Big Brother was watching them.” The bank’s CEO doubled down on TD’s diversity and inclusion efforts.

¹⁰ Emma De Vita, “Reverse mentoring: What young women can teach the old guard,” *Financial Times*, March 6, 2019, ft.com.

So what does “living it” mean? What steps should a leader take to make the workplace more comfortable for LGBTQ+ employees?

1. Don't stumble into microaggressions

Be careful not to make assumptions about people's personal lives or risk misgendering colleagues or clients. At the most basic level, this means not automatically asking women about husbands or boyfriends, and men about wives or girlfriends. Instead, use terms such as “friend,” “spouse,” and “partner.” Also, ask for and then use the pronouns that each individual uses to self-identify. As one Latinx queer/LGBTQ+ leader put it, the goal is to avoid “shaming people for who they authentically are.”

“Microsupport” can help to reduce microaggressions. For example, asking everyone at company events to include their pronouns on their name tags signals support for the LGBTQ+ community, helps educate employees about using individuals' personal pronouns, and reduces the chances that attendees will mistakenly misgender someone.¹¹

2. Set a meaningful public example

Avoiding microaggressions is just a start; you need to inspire confidence in your commitment.

Refer to LGBTQ+ relationships the same way you refer to other relationships. A simple mention of an LGBTQ+ employee's relationship, such as “Pauline's partner Eva,” signals an awareness of and respect for different types of relationships and can have an outside impact. One respondent reflected: “When a cofounder of our organization makes a reference at a company meeting to, say, a gay colleague's husband,¹² that normalizes the relationship for the entire organization. That one extra step creates a powerful sense of belonging.”



“Someone at a party said, ‘Oh, you’re that gay lawyer from Atlanta.’ I replied, ‘I think of myself as a lot more than that.’”

—Constance Rodts,
executive general counsel,
GE Power, North America

¹¹ Our research also suggests that leaders can foster positive, inclusive environments by calling out microaggressions when they occur.

¹² Echoing the term an employee uses to refer to their significant other can help foster a supportive environment.

Display visible symbols of support, and encourage employees to do the same. One LGBTQ+ leader told us that seeing such signs of solidarity had made a lasting impression: “I was just in Australia for Wear It Purple Day, when everyone who supports the LGBTQ+ community wears purple. One of the accounting firms had the best campaign. It was very simple: everybody got one fingernail painted purple. They had nail-painting stations all over the lobby of their building! It was easy; it took five seconds. And it was the highest form of LGBTQ+ solidarity that I’ve ever seen in the business world. I would encourage every company to use this type of tactic. It doesn’t cost anything, and it’s easily shareable on social media.” There’s no need to wait for a celebration to show your support; for example, ally stickers displayed on employee laptops and office doors throughout the company can be incredibly powerful signals year round.

Sponsor LGBTQ+ events such as Pride. One executive explained that sponsoring Pride had sent a message both inside and outside his organization: “We were supporting *Pride*. This is *gay*. There was no hiding. We did it not only to tell the community that we were supportive, but also to tell employees that we meant business.” Of course, sponsoring Pride is only part of the effort; you also need to walk the walk—for example, by providing benefits and protections for your LGBTQ+ employees and working to foster inclusion throughout your organization.

Make your public commitment tangible, even financial. Supporting LGBTQ+ people can mean putting money on the line. “In 2008,” explained the TD Bank executive we mentioned earlier, “we went to market with a same-sex-couple ad in mainstream media. We had people coming at us, calling us a ‘devil bank’—and the beauty of that is we stood firm and told the bigots and homophobes, ‘This is nonnegotiable. Take your business elsewhere.’ Other banks at the time stood back and watched, thinking, ‘Is TD going to sink or swim?’ Now, in Toronto, everyone is fighting about who has the best rainbow during Pride. We moved the dial on the conversation.”

The initial fallout was one reason the ad had lasting power. The bank truly had something to lose: “Churches withdrew millions of dollars from some banks,” the executive recalls. “Branch managers were calling me, crying, ‘My scorecard is going down the drain.’ How do we respond to a high-value client telling us that they’re withdrawing millions of dollars? Isn’t the customer always right? It was a moment of truth for the company. But we got direct, authentic messaging from the top to tell those clients, ‘It’s nonnegotiable. We are disappointed, actually, that you are disappointed. We are angry that you are angry. *Take your money elsewhere.*”

3. Educate your team

Setting an example is important, but education can help ensure that your LGBTQ+ commitment is lived throughout the organization. Employee training—including during onboarding—can decrease the frequency of microaggressions, root out unconscious bias, promote respect toward LGBTQ+ colleagues, and equip employees to recognize and respond to inappropriate behavior. One interviewee reflected, “We’ve given people the skills to engage with other people in a more effective way. We’ve done inclusive-language training with all our people. That’s generated not only knowledge but also

conversations about where lines blur and what's acceptable. It hasn't always been comfortable, but it's been very positive for the organization." Our research suggests that such training is effective: LGBTQ+ survey respondents whose organizations provided employee training on inclusion and unconscious bias were 1.4 times more likely to feel very included in the workplace (Exhibit 2).

It is particularly important to provide such training to the people who make personnel decisions. As one interviewee explained, "The sweet spot—and I think this is where some organizations fall short—is middle management, which is historically made up of able-bodied, straight white men who are responsible for hiring, promoting, and firing. They don't understand that inclusion also means *them*. They're not considered diverse, so no one talks to them; we talk around them. We don't tell them the business case, we don't include them, we don't win their hearts and minds—but we expect them to be inclusive. And they disengage, because they are afraid of saying the wrong things. I would say 90 percent of them are good people. They just need to be educated."

Another reason why it is critical to train managers is because they directly shape employees' day-to-day experiences. One focus-group participant, an executive based in China, reflected: "Besides your company culture, there's the middle-management factor. When I talk to our people, I ask, 'Hey, why don't you feel comfortable coming out?' Quite often, the response is, 'I know *you're* positive, but you don't spend the day with me. I spend the whole day with my team and my project manager.' The support of that project manager on a day-to-day level matters a lot, but we haven't really worked on that yet. There's still quite a bit of unconscious bias at that level."

4. Strengthen your pipeline

Building an inclusive organization starts with recruiting and hiring a diverse set of employees. As one focus-group participant noted, "You can do a lot of things around inclusion, but you're not going to get there if you have foundational issues with how you bring people in, onboard them, and retain them. You need to work on hiring and promoting a diverse group of individuals."

Exhibit 2

D&I strategies, employee education, and recruiting targets can help LGBTQ+ employees feel fully included at work.



Blind résumé screening—removing names, gender signifiers, and affinity-group affiliations—can help reduce unconscious bias in hiring decisions. In the words of one LGBTQ+ executive, “You need to make sure the hiring process is gender, color, and every other type of blind it can be. You have to have enough numbers in your hiring panel, and then just go on qualifications.” Hiring is only one piece of the puzzle, however. Rigorous management of your talent pipeline means tracking representation at every level and understanding where drop-offs occur—then tailoring your interventions accordingly.¹³

Efforts to recruit diverse candidates and promote diverse employees have a measurable impact: LGBTQ+ survey respondents were 1.4 times more likely to feel very included if their employers had organization-wide targets for recruiting diverse employees, advancing them, or both.

5. Sustain support networks

Our research highlights the importance of some programs and initiatives that many companies already have in place. Resource groups for LGBTQ+ employees, for example, “enhance the employee experience” and should not be overlooked. Ally groups are also critical; as one interviewee put it, “You need to get your allies engaged, because they help to move the agenda. Our agenda would not have moved if it weren’t for allies. In fact, our acronym used to be L-G-B-T-A, for allies.” He noted that there is strength in numbers: “There are so many silos: LGBTQ+, women in leadership, visible minorities, et cetera. If we all work together, most of the time, we’re the majority.” (As another person noted, ally groups also “allow people to engage with the LGBTQ+ community without necessarily having to come out of the closet.”)

Our survey also confirms that sponsorship is essential: the LGBTQ+ senior leaders we surveyed were more than twice as likely as their non-LGBTQ+ peers to credit sponsors with having aided their advancement. One interviewee drove the point home: “We all talk about sponsors, and we’ve seen all the articles and the literature, but it’s for real. Unless people are pulling you up, you’re not going to advance.” Sponsors need not identify as LGBTQ+; in fact, while nearly half of the LGBTQ+ senior leaders we surveyed had three or more sponsors, 80 percent had no sponsor from the LGBTQ+ community. Given the lack of LGBTQ+ sponsors, non-LGBTQ+ sponsors play a particularly important role.

6. Strengthen your policies

Finally, there are key policies that have become standard at workplaces that promote comfortable and safe environments for LGBTQ+ employees. Implementing the following policies signals clearly that your company invests in and supports LGBTQ+ people:

- domestic-partner benefits
- a nondiscrimination policy that prohibits discrimination based on sexual orientation or gender identity
- a family-leave policy that treats all parents equally

¹³ Potential solutions differ based on the situation: Are LGBTQ+ employees represented in entry-level roles but not the first managerial roles? Are they represented in middle management, but not making it to senior management?

- health insurance that covers hormone therapy and gender-confirmation surgery for employees seeking to transition
- medical leave for colleagues who are transitioning
- HR systems and documents that are inclusive of all genders and personal pronouns
- all-gender or gender-neutral restrooms so that employees can use the facilities where they feel most comfortable

Business benefits

Our research did not set out to prove the business case for an inclusive, diverse workgroup with substantial LGBTQ+ representation. But, in the course of our interviews, our respondents made clear that there are at least three very tangible business benefits to building a workplace that is LGBTQ+ inclusive.

Boosting recruitment and retaining talent

Showing visible signs of support for the LGBTQ+ community can help with recruitment efforts. One focus-group participant, a gay investment-banking executive in Hong Kong, described the impact of diversifying the company's recruiting teams: "I had HR nominate a 'diversity and inclusion ambassador.' Every time we'd do a road show, we had someone there who represented those values. We found that if a candidate had an offer from several leading investment banks, the chance of us getting that talent got a lot higher. Having someone like you there who's actually within the business makes such an impact. The best people have multiple job offers, and by having that ambassador we get the best talent." Diversifying your recruiting teams should be done thoughtfully so that your "ambassador" is not tokenized; the goal is to deepen diversity and inclusion, not to make a show of your commitment.



“Coming out is going to the frontier of how authentic and transparent I want to be about who I am.”

—Jevan Soo Lenox, chief people and culture officer, Stitch Fix

Our research suggests that inclusivity matters to job seekers, both LGBTQ+ and non-LGBTQ+: nearly 40 percent of all survey respondents said they had rejected a job offer or decided not to pursue a position because they felt that the hiring company was not inclusive.

As our Women in the Workplace research underscores, building a welcoming workplace is also key to retaining employees. Compared with their closeted peers, LGBTQ+ women who are out at work are half as likely to say that they plan to leave their current employer in the next year.

Driving business

Many LGBTQ+ employees believe that greater workplace inclusivity translates into business opportunities for their companies. One leader we spoke with has a unique title: Head of LGBTQ2+¹⁴ Business Development. He believes that promoting inclusion both inside and outside the organization has won business for his company: “I lead a team of people whose job is to drive business from the LGBTQ2+ community. It’s pretty much LGBTQ2+ customer segmentation. We show the ROI [return on investment] and the business side of diversity. We wouldn’t be able to do that if we weren’t also engaging our colleagues and the public.”

Another LGBTQ+ executive told us of a marketing campaign that influenced where he directs his dollars: “I was walking down a jetway that was plastered with [an airline’s] latest marketing campaign—and there were these two men, and one was leaning into the other. Many corporations are now trying to market more to the LGBTQ+ community, or to present inclusive imagery. But what struck me was that there was nothing oblique here. I think back to the days of, ‘Are they a couple? Are these gay people? I’m not sure.’ I usually fly with another airline. Unless I see that airline do that, *this* airline is getting my business.”

Cultivating capabilities

The LGBTQ+ people we interviewed felt that there are a number of skills that are particularly strong among members of the LGBTQ+ community. One interviewee described the effect of having to come out constantly: “If you haven’t got very much EQ [emotional quotient], you get a lot more! You build it by being sensitive to situations and the people you’re dealing with. Because you always have to choose your moment and read the room.”

Others described themselves and fellow members of the LGBTQ+ community as particularly resilient and empathetic. One LGBTQ+ leader said, “I think when you’re an ‘other,’ you have more empathy than people who have never had to deal with adversity. Things don’t come easy for us.”

Building an inclusive environment helps LGBTQ+ employees reach their potential and bring all of their skills to bear. Moizes Palma, chief risk officer of HSBC Argentina, is an ally executive. He reflected on the benefits of driving LGBTQ+ inclusion: “Our greatest values are respecting people and accepting them as they are. I am working to help people at all levels of our bank understand what really matters: not your sexual orientation or gender identity, but your character. The results are so significant; it’s not only about productivity,

¹⁴ LGBTQ2+ is a Canadian term that includes indigenous people who identify as Two-Spirit.

but also about lowering the number of people with mental-health issues and seeing people happy at work, with no fear of being themselves. Our efforts have helped leaders and employees to work more effectively and perform to their full potential.”

For Palma, inclusion is personal: “I still remember one team member saying that she felt more protected at our bank than in her own home. That was very touching. I was able to see in practice how an inclusive environment can change the lives of our people—and how a company with truly inclusive values can help both one person and the entire society.”

Every leader has the opportunity to start making important changes now. As one interviewee noted, choosing to use more inclusive language, working hard at self-growth and education, and providing employee training “are not necessarily a heavy lift financially. There’s a lot of simple work that needs to happen right now.”

Another interviewee echoed this sentiment: “Many of the small, day-to-day things are most meaningful in creating an inclusive atmosphere. They determine whether someone feels like they are truly at the table with everyone else or their seat is six inches back.” When employees see company leaders express support for LGBTQ+ rights, refuse to tolerate discrimination, and hold that ground when the going gets tough, they believe that their employer will support them if they choose to be open about their identity. LGBTQ+ survey respondents were 1.6 times more likely to feel very included in the workplace if company leaders had clearly put diversity and inclusion on the strategic agenda.

Other changes will take longer to implement. One LGBTQ+ executive told us, “I’ve got a company full of leaders who are really well-intentioned, want to make progress, and have what I call ‘healthy impatience.’ I say to them, ‘Hey, some of this inclusion infrastructure is going to take some time to build.’” In fact, he pointed out, leaders must continually work to create an inclusive environment: “As we increase our diversity, inclusion actually gets harder; as we bring in different people, everything that we’ve done to date will no longer be sufficient—and that’s actually a great thing.”

As one interviewee put it, leaders have a “duty to try to change the world so that everyone can live their life in full color.” Q

Peter Bailinson is a consultant in McKinsey’s Washington, DC, office; **William Dechard** is a partner in the Dallas office; **Diana Ellsworth** is a partner in the Atlanta office, where **Maital Guttman** is a senior regional manager for diversity and inclusion.

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