

ANCHORING EQUALITY

HOW U.S. CORPORATIONS CAN BUILD
EQUAL AND INCLUSIVE GLOBAL WORKFORCES



McKinsey & Company
1775 Avenue of the Americas
New York, NY 10019
www.mckinsey.com

ANCHORING EQUALITY

**HOW U.S. CORPORATIONS CAN BUILD
EQUAL AND INCLUSIVE GLOBAL WORKFORCES**

A Report by the Council for Global Equality in collaboration with
Immigration Equality, Out & Equal Workplace Advocates,
and the Human Rights Campaign

October 2009



Written by Julie Dorf, Mark Bromley, and Michael Guest.
Designed by Henry Pacheco.

ANCHORING EQUALITY

HOW U.S. CORPORATIONS CAN BUILD
EQUAL AND INCLUSIVE GLOBAL WORKFORCES

Table of Contents

Introduction.....	7
Why Businesses Should Care.....	9
What is the Real Impact?.....	13
Global Inconsistency.....	15
Recommendations.....	22
Endnotes.....	26

Introduction

A decade into this millennium, the American corporate workplace increasingly reflects fair-minded human resource policies that support lesbian, gay, bisexual, and transgender (LGBT) employees and their families. The number of companies scoring 100 percent on the Human Rights Campaign's (HRC) Corporate Equality Index has increased from 13 in 2002, the first reporting year, to 305 in the 2010 report. **Many companies now recognize that LGBT-inclusive workplace policies – from salaries to benefits, and from training and mentoring to employee resource groups – not only are the right thing to do, but are in the best business interests of the corporation.**

This wisdom has been applied inconsistently, however, to the overseas manufacturing, sales, and consultancy platforms of many U.S. and multinational companies. In some cases, local managers simply haven't given thought to the changing realities of a workforce that includes LGBT employees, or the employees themselves have been too fearful or closeted to push the issue. In other cases, corporate leaders have hesitated out of concern that inclusive workplace policies might attract controversy and thereby mar the company's image in the host country. Meanwhile, within the United States, discriminatory laws impede businesses from attracting and retaining top talent – notably the inability of U.S. citizens and international employees to sponsor their same-sex partners to reside with them in the U.S.

For many reasons, global corporations should take steps now to anchor fully LGBT-inclusive workplace policies in their global operations. At some level, the workplace values of U.S. corporations doing business abroad contribute to America's image and thus reflect on all of us. But there are also important business-related reasons to move forward. From the standpoint of executive development, competitiveness in a global workplace increasingly requires strong, LGBT-inclusive workplace policies, including for overseas transfers. **From a broader workplace perspective, equal benefits and protections for all employees aid in talent recruitment, retention, morale, and productivity, no less overseas than here in the United States.** And with foreign companies already respected in many overseas countries for performance-based promotions and employee-inclusive management techniques, adoption of LGBT-inclusive workplace policies can only add to the competitive edge of U.S. and multinational companies.

Where local law is an obstacle to providing fully equal treatment to LGBT employees—including in the United States—companies often find ways to reduce the discriminatory impact on those employees by negotiating with government officials. Such negotiations may be undertaken on an *ad hoc* basis, but ultimately individual concessions to corporate requests should be channeled into deeper legal reform efforts to ensure sustainable equality in the workplace. In the end, companies that advance fair-minded workplace policies have real opportunities to strengthen both their effectiveness and their employee and market loyalties on the global stage.



Kelly Baker,

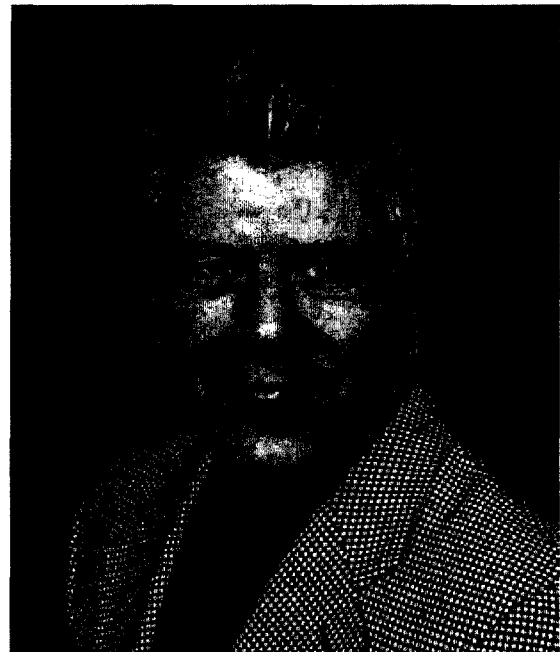
Vice President of Human Resources, General Mills, Inc. in U.S. Congressional testimony in support of the Employment Non-Discrimination Act (ENDA), 2007.

“General Mills believes this legislation is good for business and good for America. It will help businesses attract and retain top talent; help provide a safe, comfortable and productive work environment, free from any form of discrimination; and help create a culture that fosters creativity and innovation that is vital to the success of all businesses.”

Marcelo Roman,

Director, Global Learning Delivery -
Business Process Delivery, IBM

“To be successful in this new global economy, we must attract and retain the best talent in all countries we do business. Providing equal benefits and opportunity to LGBT current and future employees will be key to our success.”



Why Businesses Should Care

As LGBT Americans increasingly bring their identities into the workplace, corporate America is assuming a critical leadership role in advancing full LGBT equality in the United States—both within the workplace and beyond. That leadership is now needed overseas, where often more closeted LGBT employees face daunting social, financial and security challenges that can adversely impact a cohesive and results-focused workplace.

There is a solid business case for policies that promote LGBT equality in the workplace. *In short, equality pays. Fair workplaces are profitable workplaces, whether measured in a company's bottom line, its market share, its broader consumer reputation, or its ability to attract and retain workers, managers or investors.* As a senior General Mills executive explained in oral testimony before the U.S. Congress in support of the Employment Non-Discrimination Act (ENDA), a federal bill that would prohibit workplace discrimination based on sexual orientation and gender identity across the United States: "This legislation is good for business and good for America. It will help businesses attract and retain top talent; help provide a safe, comfortable and productive work environment, free from any form of discrimination; and help create a culture that fosters creativity and innovation that is vital to the success of all businesses."¹ For these same reasons, more than 65 leading employers in the United States, and many more small businesses, are working together through the Human Rights Campaign's Business Coalition for Workplace Fairness to support passage of ENDA in the U.S. Congress.

Workplace Equality Promotes Corporate Cohesiveness, Team Effectiveness, and Morale

Studies show that where LGBT diversity is recognized and respected in the workplace, the morale of employees improves across the board.² **In an LGBT-affirming business environment, even non-LGBT employees tend to feel more accepted, thereby reducing stress and increasing morale and productivity.** In particular, other minorities in the workplace derive ancillary benefits from the promotion of LGBT diversity because corporate commitments to LGBT equality tend to reinforce other commitments to equality, including on the basis of race, ethnicity, gender, religion and ability.³

In contrast, office cohesiveness and work effectiveness are impaired when employees are forced to hide their identities, relationships or life experiences. And if those same employees fear being outed at work, productive energy that otherwise should be directed toward the achievement of corporate goals, quality

standards or a collegial workplace is lost. IBM often cites statistics suggesting that **LGBT employees who are out at work are 20%-30% more productive than their closeted counterparts** in non-supportive environments.⁴ Injuries and harassment also tend to increase in hostile work environments. These negative trends ultimately affect all employees.

Workplace Equality Enhances Corporate Image, Reputation, and Brand Loyalty

Consumers and investors who value workplace equality are often intensely loyal to the companies that place a similar value on diversity in the workplace and promote LGBT equality through corporate support for LGBT events, organizations or public policy reforms. According to a national survey by Harris Interactive, approximately one in four (24%) LGBT adults switched products or service providers in a twelve-month period because they found a competing company that supported causes that benefit the LGBT community.⁵

Importantly, these loyalties seem to endure economic downturns in ways that may help insulate corporate revenues. Recent studies by Harris Interactive suggest that while a record number of Americans (88%) say that the overall reputation of corporate America in 2009 is “not good,” consumers remain loyal to companies that have built their reputations and brand loyalties by scoring well on surveys testing consumer perceptions of a corporation’s “social responsibility.”⁶

Looking forward, that same brand loyalty can translate into significant business. **The buying power of lesbian and gay consumers in the United States could exceed \$835 billion by 2011**, up significantly from the projection of \$690 billion in so-called “pink dollars” spent in 2007.⁷ The LGBT market size is also on the rise in Europe.⁸ And while other regions have less visible and therefore less easily quantifiable LGBT consumer markets, trends show the growth of a global LGBT consumer base with increasing disposable income and an increasing desire to be identified with pro-equality products and companies. In India, for example, where the courts recently have decriminalized homosexual conduct, and where LGBT individuals are coming out in increasing numbers, there are early indications that corporations are beginning to support LGBT employees and consider the value of the LGBT consumer market.⁹

Companies increasingly recognize that protecting brand loyalty – and even the corporation’s good name – may require actions that go beyond the immediate workplace. Diageo, a U.S. distributor of Red Stripe, a popular Jamaican beer, has scored 100 percent on HRC’s Corporate Equality Index for several years. However, Mark Baker, Diageo’s Public Policy Director for the Latin American and Caribbean region, notes that “Diageo has taken proactive steps to ensure our brands are not associated with the anti-gay lyrics in Dancehall music in Jamaica.” He adds, “Human rights issues in a country, even when completely unrelated to a particular product or company, can have a spillover effect and negatively impact all brands from that country, and particularly well-known brands that can serve as a lightning rod for negative public or media attention. For Diageo, voicing a position on these issues is the right thing to do and is in line with our corporate values. But it also serves the business interests of protecting our brands’ integrity and our company’s reputation.” **It is also increasingly clear that, regardless of their own sexual orientation or gender identity, many talented technicians, designers, and managers are now actively seeking employment with companies that promote a diverse and LGBT-inclusive corporate image.**¹⁰ In contrast, 12% of LGBT employees report having left their last job because of discrimination.¹¹ And some estimates suggest that it costs

on average more than 100% of an employee's annual base salary and benefits to hire and train a new employee to fill those empty positions.¹²

Investors, too, increasingly look at a company's commitment to equality when making investment decisions. They know that *pro-equality companies are more successful in the long term*. The socially responsible investment movement and many individual investors are increasingly looking at how corporations treat their employees, including policies and practices that support LGBT workers.¹³

Workplace Equality Programs Help Reduce Legal Exposure

Companies that have instituted comprehensive workplace diversity programs are less likely to experience discrimination lawsuits. The mere existence of a corporate record in favor of diversity, with accompanying proof of diversity training and internal review, can in itself reduce liability. But evidence suggests that these programs can do more than deflect liability: they can actually work. Companies with robust diversity training and compliance programs have fewer discrimination suits and spend less on legal fees because they have fewer cases of workplace harassment.¹⁴

Workplace Equality Promotes the Health of LGBT Families

Where corporations provide social benefits such as health and disability insurance and pension rights, full workplace equality helps ensure that LGBT families receive benefits that are critical to a community's best interests. Absent such coverage, the spouses and children of LGBT employees may not have adequate health coverage, thereby leaving the family as a whole more vulnerable to illness, financial hardship, and social exclusion. Inevitably, this inequity claws its way back into the workplace, impacting the health and productivity of employees. What is bad for LGBT families is bad for corporations with LGBT employees.

**The unequal treatment of employees
based on sexual orientation and
gender identity hurts real people,
every day, all over the world.**

What is the real impact?

The following quotes are from just a few of the many employees and employers who are hurt by unfair laws, unfair human resource policies, and homophobia in society. Some of the concerns are anchored in workplace culture, some in benefits policies, and some in the laws of the countries where the corporations operate.

on employees

"It's hard for me to be as productive when I worry so much about how my family can stay together."

"Being presumed to be a bachelor leads to assumptions of much greater flexibility, leading to short notice assignments, weekend work and so on."

"I had to turn down a fantastic career opportunity because I would have to be closeted to succeed there."

"I'm concluding a two-year training program soon. I could get a visa anywhere, but the real advancement is at our home office in New York. But I can't move there if my partner can't come with me."

on employers

"We wanted to hire a terrific Irish lawyer for a senior-level job, but he couldn't bring his partner with him. Our main competitor offered him a comparable position in Europe, and he took it."

"We spent nearly US \$1 million on an employee's relocation because the employee's same-sex partner couldn't stay in the country."

"This year, our LGBT ERG couldn't march in the local gay pride parade because of the violence instigated by the skinheads last year at the march. The company decided it was too dangerous for us – and recommended that we stay home."

"We've had over 20 LGBT employees impacted by unfair immigration laws."

"We wanted to sponsor an LGBT team from another country for the Out Games because it would have reflected well on our company in Canada, but unfortunately, the branch of our Fortune 500 company in that country didn't want us to because they thought it would hurt their business."

Twenty-four countries provide their citizens the right to bring their same-sex partner into their country legally.

Australia	France	Israel	Romania
Belgium*	Finland	Luxembourg	South Africa*
Brazil	Germany	The Netherlands*	Spain*
Canada*	Greenland	New Zealand	Sweden*
Czech Republic	Hungary	Norway*	Switzerland
Denmark	Iceland	Portugal	United Kingdom

The other 168 countries, including the United States, do not.

*Countries with equal marriage rights for same-sex couples. Due to the quickly changing legal landscape, additional countries may soon belong on this list.

Global Inconsistency

The Human Right Campaign Foundation's Corporate Equality Index is tracking—but not yet scoring—companies on the extent to which they apply their policies and benefits to employees outside of the United States. According to preliminary analysis of the data from their 2010 Corporate Equality Index, approximately 60% of the 590 companies have U.S. employees working abroad. Of these companies, 78% apply their U.S. non-discrimination policies to their U.S. employees working outside of the United States, but only 35% consider the country conditions for LGBT people when they relocate employees abroad.¹⁵

Based on surveys conducted in 2009 by the Council for Global Equality, Out & Equal Workplace Advocates, Immigration Equality and the Human Rights Campaign, most multinational corporations do not have *global* policies *per se*, but instead have country-specific human resource policies that are implemented in a decentralized fashion. Few global offices responsible for diversity issues were able to report how their corporate human resource policies are interpreted and implemented from country to country. For those companies able to do so, benefits clearly were applied inconsistently to LGBT employees from one workplace location to another.

The International Business Equality Index, released by the International Gay and Lesbian Chamber of Commerce in July 2009, reveals that only 27% of the multinational corporations surveyed offer partner benefits to LGBT employees in all countries of operation. The survey concludes that “there is a clear inconsistency between the policies of the majority of participating companies, and the implementation of these policies in practice.”¹⁶

Standardizing Policies

Some of these inconsistencies can be rectified by modifying company policy, or through greater efforts to standardize policies. The first step to doing so is to develop a clear and accurate understanding of: the specific policies that are followed in each global platform; the reasons for any deviation from headquarters-approved policies; and whether attempts have been made to deal with those discrepancies. Based on this understanding, corporations can chart a new plan for global coverage.

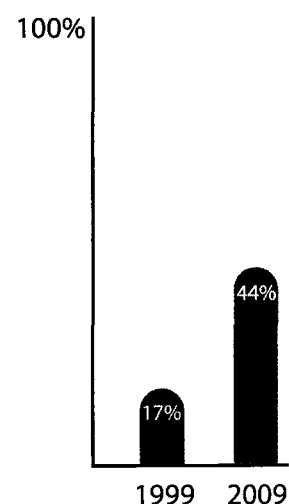
- Sometimes seemingly small steps – such as including sexual orientation and gender identity in non-discrimination policies in places where the local management is uncomfortable with homosexuality – are important first steps in changing workplace culture. One Fortune 100 Company recently did so in China, as a first step toward making its corporate values more consistent across operations.
- Some companies are ready to expand their equal benefits policies and practices to additional regions, even if they are not yet able to apply them to all regions of the world. For example, IBM extended its domestic partner benefits and policies in 2005 to every country in Latin America where they do business. Implementing global workplace policies has been a key focus at IBM, generating enthusiasm among employees who have created over 50 LGBT Employee Resource Group (ERG) chapters, 57% of which are now located outside of the United States.
- In particular, international relocation and assignment-related benefits are unevenly applied to LGBT employees and their families. According to KPMG's Global Assignment Policies and Practices Survey 2009, in defining family (for purposes of assignment-related benefits), 44% of all companies doing business globally now include same-gender unmarried partners. This statistic, while still not ideal, is up from 17% of companies surveyed ten years ago. According to KPMG, this is the most quickly changing area of global benefits policy. Also striking is the fact that U.S.-headquartered companies lag behind European and Asian-Pacific companies, often by significant margins, with only 38% of U.S. companies including same-sex partners in the definition for transfer benefits, as compared to 55% and 61% for European and Asian-Pacific companies respectively.¹⁷
- Benefits are applied inconsistently to transgender employees. In the United States, corporations increasingly include gender identity in their non-discrimination policies; some also provide training to employees on these issues, and/or include transgender-specific health benefits in their policies. But very few of these corporations have assessed how gender identity issues relate to policies and practices in their overseas operations. For example, some companies with strong gender identity protections in the United States have overseas platforms with gender-specific dress code policies that are based on the biological sex of the employee, rather than the employee's chosen gender.

These are just a few examples of some of the local policies and practices that corporate leaders can change through consistent attention to the global reach of their equality objectives.

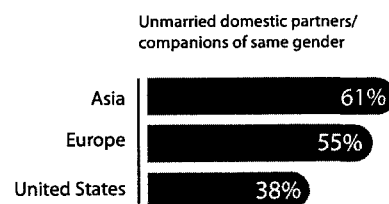
Dealing with Discriminatory Local Laws

Other globally inconsistent policies may reflect discriminatory local laws and customs that corporations have assumed – perhaps incorrectly – to be inalterable. In particular, international relocation and transfer policies can create significant challenges when they butt up against the discriminatory laws of a country. International transfers are considered career-enhancing; refusing them can damage one's career, and indeed can negatively impact corporate needs. But approximately 80 countries still carry criminal sanctions for LGBT individuals or relations.¹⁸ And in many other countries, LGBT individuals face significant discrimination and violence. What can companies do in countries where LGBT employees face such challenging impediments?

KPMG's Global Assignment Policies and Practices Survey 2009 revealed that 44% of companies surveyed provide same-sex partners with international assignment related benefits that are equal to those provided to legally-married opposite sex spouses. This figure was only 17% in a 1999 KPMG survey.



KPMG's Global Assignment Policy and Practices Survey 2009 also revealed a discrepancy between U.S.-based corporations and those headquartered in Europe and the Asia Pacific region.



Two companies that are maneuvering to accommodate these realities are Shell and Cisco Systems.

- Shell-Netherlands has accommodated LGBT employees willing to work in unfriendly countries by affording them one week of home leave in the Netherlands for every three weeks that they are away from their partners.
- Cisco changed its company travel policy to ensure the safety of its LGBT employees while on business travel. The policy now allows employees to refuse travel if they feel they will be put in danger by travelling to a specific country.

These examples acknowledge the discriminatory impact of travel and relocation on LGBT employees. In turn, the corporations cited above have responded by adding reasonable accommodations to their personnel policies. But companies often can go further to respond to the impediments that may be limiting the travel or relocation possibilities of their LGBT employees. In some cases, companies may choose to engage a host country to seek repeal or reform of the laws that impact their ability to conduct business with the talent they need. For example, one Fortune 100 Company presented an *amicus* brief in an overseas court supporting repeal of a sodomy law criminalizing same-sex consensual behavior. Another corporation removed the partition that separated men from women in their conference room, in a country where segregation is legally required. These limited examples suggest that there are in fact many creative opportunities to promote positive change for LGBT individuals inside a country.

“U.S. corporations are much more powerful than the U.S. government is in my country. If we had some of the large employers on our side, that would help us pass important legislation.”

Amy Jiwon,

Korean LGBT rights leader
working on a national non-discrimination bill

In some countries, it may seem practically impossible to accommodate LGBT equality. For example, in the United Arab Emirates, there are severe penalties for homosexual activity, coupled with high personal and corporate penalties for those who do not report illegal activities to the government. Under such circumstances, a company must be concerned not only for the safety of its employees, but for its own liability. As such, that company must fully understand the local environment and should seek alternate and equally career-enhancing transfer opportunities for LGBT employees that will not place them in unacceptably dangerous locations.

Global Relocation for LGBT Employees and Their Families

LGBT employees whose partners are of different nationalities face additional hurdles in the workplace. Same-sex partners are unable to sponsor one another for immigration benefits in most countries, which means that for LGBT employees in binational couples, changing jobs, or accepting inter-company transfers, can be challenging or even impossible.

There are many examples of extraordinary steps taken by corporations to help individual employees resolve their situations. For many companies, the relatively small number of employees impacted by discriminatory policies may make *ad hoc*, case-by-case actions seem preferable to creating or revising global policies to address such situations.

However, discrimination, coupled with uncertainty about a company’s ability and willingness to help, has a direct impact on employee productivity and retention. In addition, companies bear the costs of work-arounds for LGBT employees hindered by immigration restrictions.

Currently, 24 countries provide immigration benefits to their LGBT citizens – the other 168, including the United States, do not. Seven countries offer full marriage rights for same-sex couples. As rights for same-sex couples expand around the

globe, more employees will seek clarity from their employers about their opportunities in a mobile workforce.

Corporations must move quickly to create clear policies allowing workers to be treated equally across global platforms, and they must advocate for equal rights and benefits from their host governments. These challenges to productivity and talent retention must be dealt with now, on a rational and fully equitable basis, as national discrepancies in the treatment of same-sex employees will loom large in the global workplace in the years ahead.

Finally, there are still relatively few LGBT-specific employee resource groups (ERGs) outside of the United States, although the number is increasing rapidly in Europe. We know from U.S. experience that the leadership of LGBT employees can drive reforms in the workplace, and that LGBT-focused ERGs are an important vehicle for securing full equality. U.S. corporations should urge the creation of LGBT-focused ERGs wherever possible, with a goal not only of understanding local concerns affecting LGBT employees, but of partnering with them to secure equality.



Stuart Koe

LGBT Advocate, Singapore

"If they do want people like us to stay in Singapore, then some things will have to change. And I think the fear of the future, the fear of losing talent, the fear of losing out in terms of world competitiveness will lead them to rethink many things, including this issue of acceptance of gays in the community."¹⁹

Vikram Doctor, Journalist/ Activist, India

"I think the growth of the outsourcing/body-shopping/call center business has caused a big increase in encounters between business executives and LGBT people. Lots of LGBT people seem drawn to such jobs, perhaps because the way you look doesn't matter, it is all about how you speak or perform. Call center jobs have been hugely important to young LGBT people here, who have been able to secure well-paying jobs right out of college, which has given them financial freedom from their parents and hence the ability to resist pressure to marry. Lots of LGBT people have secured tech jobs in the United States and have used the opportunity to explore the gay scene abroad and come out – sometimes resulting in real hostility from their fellow Indians, leading to problems that the companies employing them often don't foresee."



The vast majority of U.S. businesses are already beginning to address workplace fairness for lesbian, gay, bisexual, and transgender employees. But we still need a federal standard that treats all employees the same across the United States.

Human Rights Campaign's Business Coalition for Workplace Fairness represents a group of leading U.S. employers that support the Employment Non-Discrimination Act (ENDA), a federal bill that would provide the same basic protections that are already afforded to non-LGBT workers across the country. www.hrc.org

Immigration Equality's Business Coalition for the Uniting American Families Act (UAFA) is a group of global companies supporting full immigration rights for same-sex couples. Companies can sign on to the Business Coalition's letter to Congress by contacting Rachel B. Tiven, Executive Director, via www.immigrationequality.org.

We very much wanted the United States to be our home. But immigration law forced us to choose otherwise.



John Buie and Thomas Justesen

"We are a binational (U.S. and Danish) gay couple who lived in the United States until 2005. We faced the dilemma of trying to continue living together in the face of U.S. immigration law, which prohibited my Danish partner from living and working in the United States. Denmark offered a welcoming environment for us both, and so we moved there.

I am a businessman with a decades-long track record of creating extremely good jobs in the high technology industry. In Denmark, I was welcomed in a new role for an American software company, responsible for creating from scratch the company's operation in Europe. In just three years, I led the creation of 80 jobs in Denmark and across Europe.

My partner is a qualified elementary school teacher with a Master's degree from a U.S. university. Despite the massive U.S. teacher shortage, especially amongst male elementary school teachers, he left the country.

We very much wanted the United States to be our home. But immigration law forced us to choose otherwise. The net result was a deficit for the United States: one less qualified teacher; 80 fewer new jobs that could have been created at home instead of abroad by the work of a talented executive; and a significant related loss of tax revenue.

The hardest part is that I have an 87-year-old mother who would benefit greatly from me being closer. And even sadder, I have a son who is severely bipolar and disabled as a result. Being away from him as he works on his rehabilitation without my proximal support is devastating." - John Buie, 2009

Recommendations

The case for standing up for workplace equality is clear. Will your company show the leadership your employees deserve? To move forward, we offer these recommendations:

For Human Resource (HR) and Diversity Officers

- *Conduct a formal survey of HR policies in each global platform.* It's important to know the precise impact of any local laws on corporate-wide policies. It's also important to know whether each local overseas office is fully supporting the company's HR goals, including with respect to LGBT diversity, and what efforts are being undertaken to overcome obstacles to those goals. A global survey can help in both regards.
- *Document the price the corporation pays for failing to treat employees equally.* Corporate management should know the impact that unequal treatment has on employee morale and safety, on workplace effectiveness, and on the lives and economic well-being of employees and their families. Work with affected employees to document these costs; consider how standing for equal and fair treatment can improve the corporation's public image.
- *Examine local barriers to fair and equal workplace treatment, with a view to proposing concrete strategies to address them.* Knowing local law is important, of course – but laws can be changed, and so can social acceptance of workplace equality. Once you know the facts, think creatively with your corporate leaders and local experts on how to effect the change you need.
- *Engage counterparts in other company locations.* To build allies, encourage other human resource specialists to address these issues in the context of the larger global diversity and inclusion strategy of the company. Provide infrastructure for cross-border employee ERG networking.
- *Seek out local business coalitions to join in advocating solutions with host country officials.* Other U.S. and international companies may be facing the same workplace issues faced by your company. Talk to them with a view to developing common strategies aimed at equalizing workplace treatment. Widen the circle to include local companies that might share your concerns.
- *Aim high.* Until fully resolved, workplace inequalities will always be an irritant to employees, and a complication for HR offices. The goal should be to equalize workplace treatment fully, as permitted (not as required) by local law – and otherwise to ameliorate legal constraints while leading or joining efforts to change them.

- *Establish contact with local LGBT groups seeking change, to gain their insights and offer support.* Local LGBT advocacy and care groups can offer critical advice to help you understand not only the situation faced by LGBT individuals, but possible local allies (in the business, social or legislative world) in promoting business-friendly solutions. Seek them out for that advice, and offer in turn your support where appropriate and feasible. The Council for Global Equality can help make these connections.

For Employee Resource Groups

- *Educate your colleagues about workplace equality issues.* Straight colleagues may be unaware of the differential treatment afforded their co-workers. Educating them is the first step toward making them pro-active allies for change.
- *Advocate inside your company for solutions.* No one can speak better to an issue than those affected by it. Help ensure that fair and equal treatment is seen as a corporate priority, not a secondary "as time permits" goal.
- *Don't be afraid to tell your story.* When situations adversely affecting LGBT colleagues arise, bring the personal toll of these situations to the attention of senior executives. Human impact can propel action far more than numbers or theory.
- *Globalize the internal network.* Engage your human resource or other diversity staff on ways to support LGBT employees overseas where ERGs are not yet possible or are still in formation.
- *Establish ties with LGBT-focused groups that can help.* Organizations like Immigration Equality, the Human Rights Campaign, and Out & Equal can offer advice on how other companies have addressed workplace inequalities. And they need to understand your issues to be effective in their advocacy work at the national level. The Council for Global Equality can help link you to local lawyers and human rights advocates who are working with civil society in other countries to secure legal reforms and promote human rights protections for local communities.

For Senior-Level LGBT Executives

- *Examine your company's policies and advocate solutions where needed.* Be a catalyst within the company to reach specific understandings of where problems lie and possible paths to their resolution. Offer personal insights to help the company see the reasons to move forward.
- *Actively seek the support of your CEO.* His or her personal and visible leadership on this issue can be critical in impacting company attitudes – and in steering the way to solutions.
- *Seek company involvement in business coalition advocacy for relevant legislation.* Take leadership to involve your company in efforts to seek change. Concert with colleagues across business sectors, with the leadership of the local American Chamber of Commerce, and within other national business promotion groups to develop proactive strategies aimed at moving forward.

For Government Affairs Officers

- *Within the United States, participate actively in lobbying efforts to pass LGBT-equality legislation.* Find out where workplace equality-focused legislation stands – such as the Employment Non-Discrimination Act (ENDA), the Tax Equity Act, and the Uniting American Families Act (UAFSA). Seek corporate agreement to involve yourself, on behalf of the corporation, in efforts to move this legislation forward. Make clear that there is a strong business case for doing so, and that equality is an American value.
- *Overseas, work with HR officers to propose strategies designed to effect solutions.* Knowledge of the legislative process in the host country is a critical part of any strategy to move forward. Add your understanding and contacts to cross-team efforts to effect change.

For CEOs

- *Ensure that all employees know you support full workplace equality.* Your personal stance against bigotry, and in favor of full workplace equality, can positively impact morale and set the tone for needed change. In some cases, this can be crucial to improved workplace performance.
- *Talk to peers at other companies to learn how they are handling these issues.* LGBT workplace inequalities are not unique to any employer. Candid conversations with peers in other companies may offer insights into successful strategies to lessen the impact of these inequalities – and can forge the way toward unified strategies to end them.
- *Task senior managers with identifying any and all areas of workplace inequality, and with proposing strategies for their resolution.* Your job is leadership: make clear that the corporate goal is full workplace equality, that you attach high priority to this goal, and that you expect the active involvement of your senior management in achieving it.

This report was prepared by the Council for Global Equality
*In collaboration with the Human Rights Campaign, Immigration Equality,
and Out & Equal Workplace Advocates*

About the Council for Global Equality

Launched in September 2008, the Council for Global Equality is a new coalition that encourages a clearer and stronger American voice on international LGBT human rights and equality concerns. The organizational members of the Council have all been recognized for their leadership in promoting human rights and equality in the United States and abroad. But while they share a common mission, the three distinct sub-groups within the Council—domestic LGBT organizations, internationally focused human rights groups, and leaders within the workplace equality movement—have rarely coordinated their foreign policy objectives. Together, Council members seek to ensure that those who represent our country—in Congress, in the White House, in U.S. embassies and in U.S. corporations—use the diplomatic, political and economic leverage available to them to oppose human rights abuses and discriminatory practices that are too often directed at individuals because of their sexual orientation, gender identity or gender expression. For more information, please visit www.globalequality.org.



About Human Rights Campaign

The Human Rights Campaign is America's largest civil rights organization working to achieve lesbian, gay, bisexual, and transgender equality. HRC seeks to improve the lives of LGBT Americans by advocating for equal rights and benefits in the workplace, ensuring families are treated equally under the law and increasing public support among all Americans through innovative advocacy, education and outreach programs. HRC works to secure equal rights for LGBT individuals and families at the federal and state levels by lobbying elected officials, mobilizing grassroots supporters, educating Americans, investing strategically to elect fair-minded officials and partnering with other LGBT organizations. For more information, please visit www.hrc.org.



IMMIGRATION EQUALITY

About Immigration Equality:

Immigration Equality, the national voice for LGBT immigrants and their families, leads the effort to change U.S. immigration law to recognize same-sex couples. Immigration Equality drafted legislation pending in Congress, the Uniting American Families Act (H.R. 1024/S. 424), which would allow U.S. citizens to sponsor their foreign-national partners for legal residency. Immigration Equality spearheads the Business Coalition for the Uniting American Families Act, a group of leading U.S. employers that support legislative efforts to end discrimination against LGBT families. Immigration Equality has also built the field of asylum based on sexual orientation and gender identity, and represents hundreds of LGBT and HIV-positive asylum-seekers annually. The organization is headquartered in New York City, and has a policy office in Washington, DC. For more information, please visit www.immigrationequality.org.

out&EQUAL
Workplace Advocates

About Out & Equal Workplace Advocates

Out & Equal™ Workplace Advocates is the pre-eminent national organization devoted to the LGBT community in the workplace. Out & Equal Workplace Advocates is a national nonprofit 501(c)(3) organization. Out & Equal champions safe and equitable workplaces for LGBT people. The organization advocates building and strengthening successful organizations that value all employees, customers, and communities. For more information, please visit www.outandequal.org.

The Council for Global Equality thanks the following individuals for helping with this report:

Matthew Lifson

Martha McDevitt-Pugh

Daryl Herschafft

Kevin Jones

Rachel Tiven

Endnotes

¹Kelly Baker, Vice President of Human Resources, General Mills, Inc., before the Subcommittee on Health, Employment, Labor and Pensions, of the House Committee on Education and Labor (Sept. 5, 2007).

²Christine Silva and Anika K. Warren, "Building LGBT Inclusive Workplaces, Engaging Organizations and Individuals in Change" (Catalyst 2009), available at www.catalyst.org/file/290/building_lgbtinclusive_workplaces_final.pdf.

³See Margaret S. Stockdale and Faye Crosby (editors), *The Psychology and Management of Workplace Diversity* (Blackwell Publishing 2004)(noting the early efforts of Kodak and IBM to promote LGBT diversity in the workplace).

⁴See "GLBT Competitive Edge: Imagined or Real" (June 2009), available at www.network.ch/t3/uploads/media/lgbt_forum/Andreas%20Citak_04062009.pdf (citing internal analysis and research by Harris Interactive); see also Stonewall (UK), *Top 100 Employers 2009*, at 3 ("Concealing sexual orientation at work reduces productivity by up to 30 percent."), available at www.stonewall.org.uk/workplace/1477.asp.

⁵Harris Interactive, "One in Four Gay, Lesbian, and Transgender Adults Switched over Past Year to Companies that Support the GLBT Community" (2007), available at www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=1252.

⁶Harris Interactive, "A record number of Americans (88%) say the Reputation of Corporate America is 'Not Good' or 'Terrible', but the Public Rewards Companies that Concentrate on Building Their Reputations with 'Excellent' Reputation Scores" (2009), available at www.harrisinteractive.com/news/pubs/Harris_Interactive_News_2009_04_28.pdf.

⁷Harris Interactive, *Gay, Lesbian, Bisexual & Transgender Research* (2009), available at www.harrisinteractive.com/services/gibt.asp; see also *Packaged Facts*, www.packagedfacts.com.

⁸See "A New Ad Adage: Same Sex Sells", *Time Magazine*, July 30, 2006, available at www.time.com/time/magazine/article/0,9171,1220477,00.html.

⁹See generally Vikram Doctor, "One giant leap for gay community", *The Economic Times*, July 3, 2009, available at www.economictimes.indiatimes.com/News/Politics/Nation/One-giant-leap-for-gay-community/articleshow/4731073.cms?curpg=2; Vikram Doctor, *Gay community turns assertive in workplace*, *The Economic Times*, July 10, 2009, available at www.economictimes.indiatimes.com/Features/Corporate-Dossier/Gay-community-turns-assertive-in-workplace/articleshow/4760652.cms.

¹⁰*Out & Equal Workplace Culture Report*, Conducted by Harris Interactive on behalf of Out & Equal Workplace Advocates, (2008)(noting a 2008 survey in which 63% of heterosexual respondents said that it was "extremely" or "very important" to work for a company that offers equal health insurance to all employees, and 49% said that it was "extremely" or "very important" to work for a company that includes sexual orientation in its non-discrimination policy).

¹¹Ragin and Cornwall (2001).

¹²Saratoga Institute (2007).

¹³Calvert, Neuberger-Berman, Walden Assets and many other financial entities now look at LGBT rights issues in the workplace when evaluating their investments.

¹⁴Wentling, R. M., Palma-Rivas, N., "Current status and future trends of diversity initiatives in the workplace: Diversity experts' perspective" *Diversity in the Workforce Series*, Report No. 2; MDS-1082, Berkeley: National Center for Research in Vocational Education, University of California(1997)(noting a corporate study in which legal concerns were a frequently mentioned motive for managing diversity: "experts felt that in the past, large settlements to discrimination claimants might not have been necessary if the organizations had taken action to promote diversity. Short- and long-term savings in personnel and legal costs can make diversity an important business strategy for an organization.").

¹⁵Preliminary findings from Human Rights Campaign's 2010 Corporate Equality Index. Full report coming in October, 2009 at www.hrc.org.

¹⁶International Gay and Lesbian Chamber of Commerce (IGLCC), *International Business Equality Index* at 9-10 (2009).

¹⁷KPMG's *Global Assignment Policies and Practices Survey* at 17 (2008).

¹⁸For an update and translation of these laws, see the International Lesbian and Gay Association at www.ilga.org.

¹⁹Stuart Koe, "Singapore, Swingapore", available at www.dnamagazine.com.au/articles/news.asp?news_id=6004&c=35212.



www.globalequality.org