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## ***Out to Succeed: Realising the full potential of LGBT+ talent***

Global survey finds businesses need to do more to attract and support LGBT+ talent



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## LGBT+ inclusion: What's at stake

Businesses succeed in an environment that enables diverse talent to thrive. Both the business leaders and employees from different companies and industries around the world taking part in the OutNEXT/PwC Out to Succeed survey highlight the extent to which a supportive and targeted focus on LGBT+ inclusion is a valuable brand differentiator, performance enhancer, and talent draw.

“Focusing actively on the LGBT+ community in the workplace is absolutely critical.”

Jes Staley, Group Chief Executive, Barclays



## This inclusion can:



### Provide access to a huge market:

The global spending power of LGBT+ consumers is estimated to be more than

# \$5 trn

a year, according to LGBT Capital. An even bigger pool is what Out Leadership calls the “Ally Marketplace,” those consumers who identify as allies to the LGBT+ community, which could reach 8-10 times the size of the LGBT+ market.



### Act as a brand influencer:

# 78%

of LGBT+ people and their friends, family, and relatives would switch to brands that are known to be LGBT+ friendly according to Community Marketing & Insights. Here again, allies are an important and influential component.



### Attract talent:

More than

# 80%

of LGBT+ and non-LGBT+ millennials (people born between 1980 and 1995) say that an employer’s policies on diversity, equality, and workforce inclusion are an important factor when deciding whether to work for them, according to PwC research.



### Boost share performance:

A number of companies have created portfolios to invest in LGBT+ friendly companies, showing that overall, such companies outperform the market. The Workplace Equality Index, which measures the share performance of corporations that support fairness and equality for LGBT+ employees, outperformed the S&P 500 Index return in the ten years up to 2016.

But what do high-potential LGBT+ employees want from employers, and are businesses delivering? What more should organisations do to support LGBT+ talent and capitalise on this potential? These are the questions the OutNEXT/PwC Out to Succeed survey seeks to answer in this report.

## About the OutNEXT/PwC Out to Succeed Survey:

The 231 LGBT+ employees from around the world who participated in the OutNEXT/PwC Out to Succeed survey are people identified by their employers as high performers or individuals with leadership potential. Very few of these participants identified as transgender, and so although gender identity issues in the workplace can overlap with those of sexual orientation, this report does not specifically focus on them. (For simplicity, this report uses the term ‘LGBT+’ throughout). The 28 corporate leaders in our employer sample are drawn from Out Leadership member companies. See page 24 for a detailed methodology.



Most employee respondents work for Out Leadership member companies, which are active promoters of LGBT+ inclusion. Because of that, presumably these companies should be in the best position to benefit from inclusion. Yet, only around a third of the employees in our survey (35%) believe that their companies leverage LGBT+ inclusion for a business advantage.

To be sure, companies are making great progress toward inclusion. If we think of the hostility and discrimination that many LGBT+ employees have faced (and still face in some of the places we surveyed), the findings show that important strides are being made. More than 80% of the LGBT+ employees in our survey said they feel comfortable being out at work. More than 90% of employers believe that being out in the workplace has had a positive impact on LGBT+ talent's ability to do business and engage with customers.



Yet, even within the relatively supportive businesses in our survey, there is much more we can do to support LGBT+ equality. Developing leaders want to work for an organisation where they feel valued, where they're supported, and where they feel confident that they will have the chance to succeed. Yet, less than 30% of the businesses we asked have programmes specifically focused on the retention, development, and progression of LGBT+ talent. Many of the LGBT+ employees who do have access to such programmes aren't even aware that they exist.

“We have 11 million customers and many of them will be LGBT+, BAME [people from Black, Asian and Minority Ethnic communities] women etc. If we don't talk about them, you won't create the right products. This is the world in which we operate, and we need products that work for all.”

Amanda Blanc, Former Group Chief Executive, AXA UK and Ireland

If LGBT+ employees don't feel they can bring their whole selves to work, or that they won't be able to realise their full potential within their current organisation, they'll vote with their feet by looking for opportunities elsewhere. They'll also tell their friends and family that this isn't a business that's living up to its promises on inclusion, which could have a detrimental impact on the brand. If there is a significant disconnect between LGBT+ talent aspiration and experience in businesses that are keen to promote inclusion, the gaps in less committed companies are likely to be even greater.

Some of the disconnect can be explained by timing: The initial focus on diversity within many corporations tended to be gender-based and was only broadened to include minority groups such as LGBT+ more recently. The focus on inclusion regarding gender identity is more recent. Businesses have thus had less time to develop effective programmes. Therefore, while employers want to move forward on LGBT+ inclusion, this is still a learning curve and they aren't always clear about what their LGBT+ talent wants, what progress they are making in meeting these expectations, and the priorities for action and change.

In highlighting what makes an employer attractive to LGBT+ talent and how these employees believe organisations can strengthen inclusion, we aim to identify just how wide the current gap is between what employees want in an employer, and what employers are delivering. Then, drawing on the findings, we set out five recommendations for advancing LGBT+ inclusion around the world, enabling developing leaders to succeed.

None of this can be achieved overnight. Even foundational measures such as equality in benefits for partners took many years. Moreover, more than 70 countries still have legislation that is hostile to LGBT+ people. Yet, by offering the best possible working environment and career opportunities for LGBT+ talent, businesses can gain an important edge. And by promoting fairness and equality within the markets they operate, businesses can continue to exert one of the most powerful influences to change society.

We would like to thank all the participants for kindly sharing their valuable experiences and insights. We hope that this report is the start of a deeper conversation on how businesses around the world can develop top LGBT+ talent.



**Todd Sears**  
Founder and Principal,  
Out Leadership



**Jon Terry**  
Partner, PwC



## About OutNEXT

A key initiative of Out Leadership, OutNEXT is the first global talent development programme for the next generation of LGBT+ business leaders. The developing leaders in the OutNEXT programme are openly LGBT+ employees (typically with between five and eight years of work experience), who are selected by Out Leadership member companies as high potential and high performing, with a strong focus on intersectional diversity within the cohort.

## About Out Leadership

Out Leadership is the global LGBT+ business network trusted by CEOs and multinational companies to generate Return on Equality®.

It creates global executive events and insights that help leaders realize the economic growth and talent dividend derived from inclusive business, and convenes ground-breaking talent accelerators: OutNEXT, the first global leadership development programme for the next generation of LGBT+ talent; Quorum, which seeks to advance LGBT+ diversity in corporate governance; and OutWOMEN, which convenes and celebrates LGBT+ women in business.

## PwC is committed to LGBT+ inclusion

Organisations with diverse talent are best placed to respond to an ever-changing world, and as a global network, PwC recognises that it has an important role in leading the way through shaping attitudes, challenging discrimination and developing a workplace where everyone is valued – regardless of their sexual orientation, race, gender identity and expression, religion, or ability.

PwC is committed to cultivating LGBT+ talent and driving equality forward. The PwC/OutNEXT Out to Succeed research forms part of this commitment.

# The business case for LGBT+ inclusion

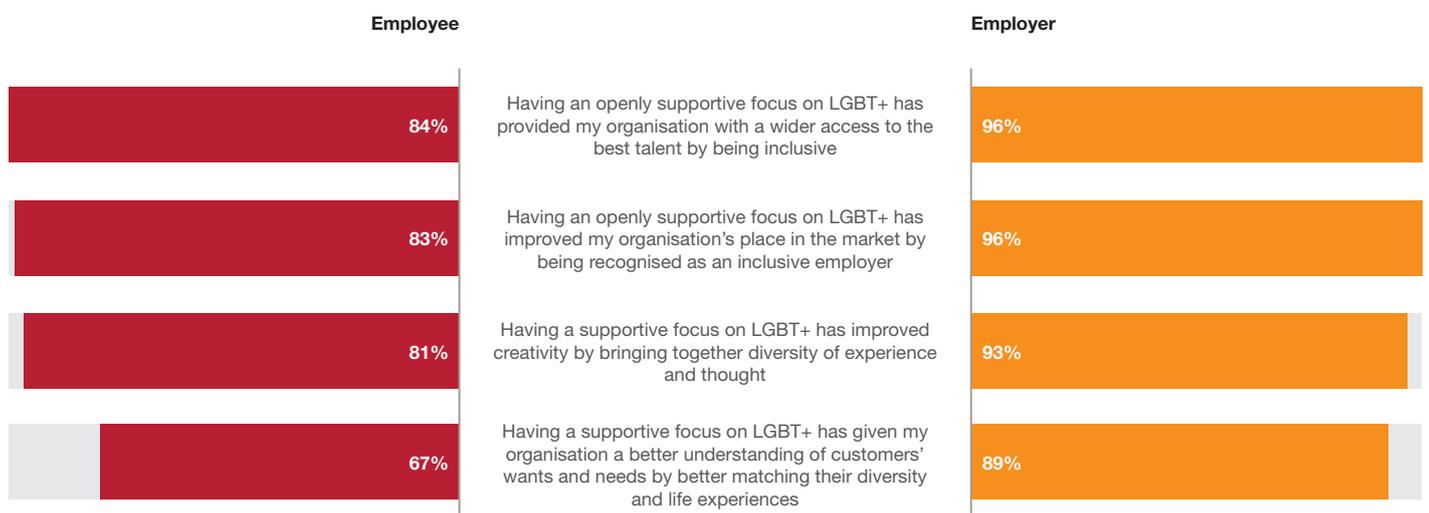
LGBT+ inclusion is an increasingly powerful business differentiator, capable of driving significant value. Yet surprisingly few of the companies in our survey are leveraging the potential that exists in both the talent pool and the marketplace.

The business case for LGBT+ inclusion comes through loud and clear from our survey. Key benefits include a stronger brand and access to the LGBT+ talent pool, which many studies over the years have shown is well-educated, more engaged than average, and quite often highly empathetic. More than 80% of the LGBT+ employees in our survey believe that having an openly supportive focus on LGBT+ has improved their organisation’s place in the market by being recognised as an inclusive employer (see Exhibit 1). Almost all of the 28 corporate leaders we asked agree.

## Exhibit 1: The business case for inclusion

How strongly do you agree with the following statements about your organisation?

Respondents answering strongly agree/agree



Source: OutNEXT/PwC Out to Succeed survey

“Diverse stories matter – they’re a crucial part of our audience appeal...the diversity of our programming aligns with our people agenda by encouraging a diverse array of talent to come to Time Warner, and want to stay and prosper”

Jeff Bewkes, Chairman and CEO, Time Warner

## Gaining an edge

Given how much business value is on the table, surprisingly few of the employees in our survey (35%) believe that their company leverages LGBT+ inclusion for business advantage. Even in markets such as the U.S., where LGBT+ inclusion is recognised as a key brand differentiator, only 40% of employees believe that their employers leverage inclusion.

What more could your business do to capitalise on the LGBT+ opportunity? A starting point is to identify the distinctive skills LGBT+ talent brings to your organisation. Most of the employees in our survey believe that their personal and professional experiences as LGBT+ people have helped to enhance their inclusiveness, resilience, authenticity, empathy, and adaptability. This reflects the experiences of many of the LGBT+ leaders Out Leadership has spoken to, who believe that their own coming-out process helps make them become more empathetic, more in tune with the people around them and, ultimately, better equipped to handle a wide variety of situations.

There is an apparent disconnect between the skills the vast majority of those employees surveyed believe they possess – including empathy and inclusiveness – and what employers most prize (see Exhibit 2). Yet, these are among the attributes companies need in a time of marketplace disruption and business model change – more than 90% of business leaders taking part in PwC’s 21st CEO Survey believe they need to strengthen soft skills in their organisations alongside digital skills. As automation gains ground, these are also the kind of skills that machines can’t replicate and are therefore the most valuable, though, as PwC research highlights, among the most difficult to source and retain.

Inclusion also boosts performance – over 90% of the employers we asked believe that being out in the workplace has had a positive impact on LGBT+ talent’s ability to do business and engage with customers. More than 60% of employees believe that being out at work has improved their ability to do business and engage with customers, a big step up from research carried out only five years ago when only 9% of LGBT+ women and 17% of LGBT+ men believed that their LGBT+ status was an asset in their career or field. However, there are regional differences within our current survey, with participants in the U.S. (65%) more likely to believe this is the case than their counterparts in Asia (58%). Male participants (64%) are also more likely to cite these positives than women (53%).

Around two-thirds of employees believe that having a supportive focus on LGBT+ has given their organisation a better understanding of customers’ wants and needs by better matching their diversity and life experiences. Employers are even more emphatic, with nearly 90% believing that a supportive LGBT+ focus has enabled them to gain a better understanding of customer demands.

## Inclusion attracts top talent

In a competitive labour market, inclusion is also a talent differentiator – more than 80% of employees believe that having an openly supportive focus on LGBT+ has provided their organisation with wider access to the best talent. Again, almost all the employers we asked agree.

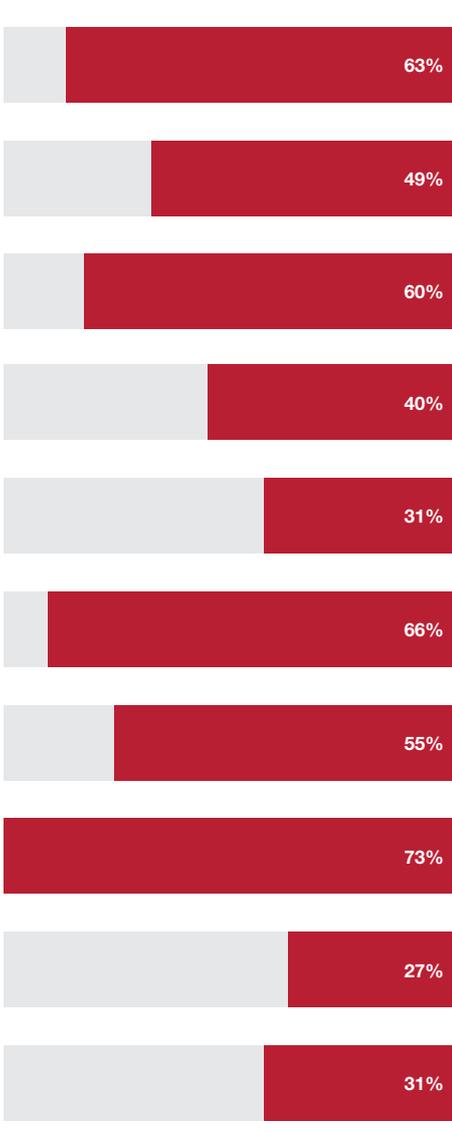


**Exhibit 2: Skills enhanced by experience**

How strongly do you agree that your personal and professional experiences as an LGBT+ person have helped to enhance the following skills?

Respondents answering strongly agree

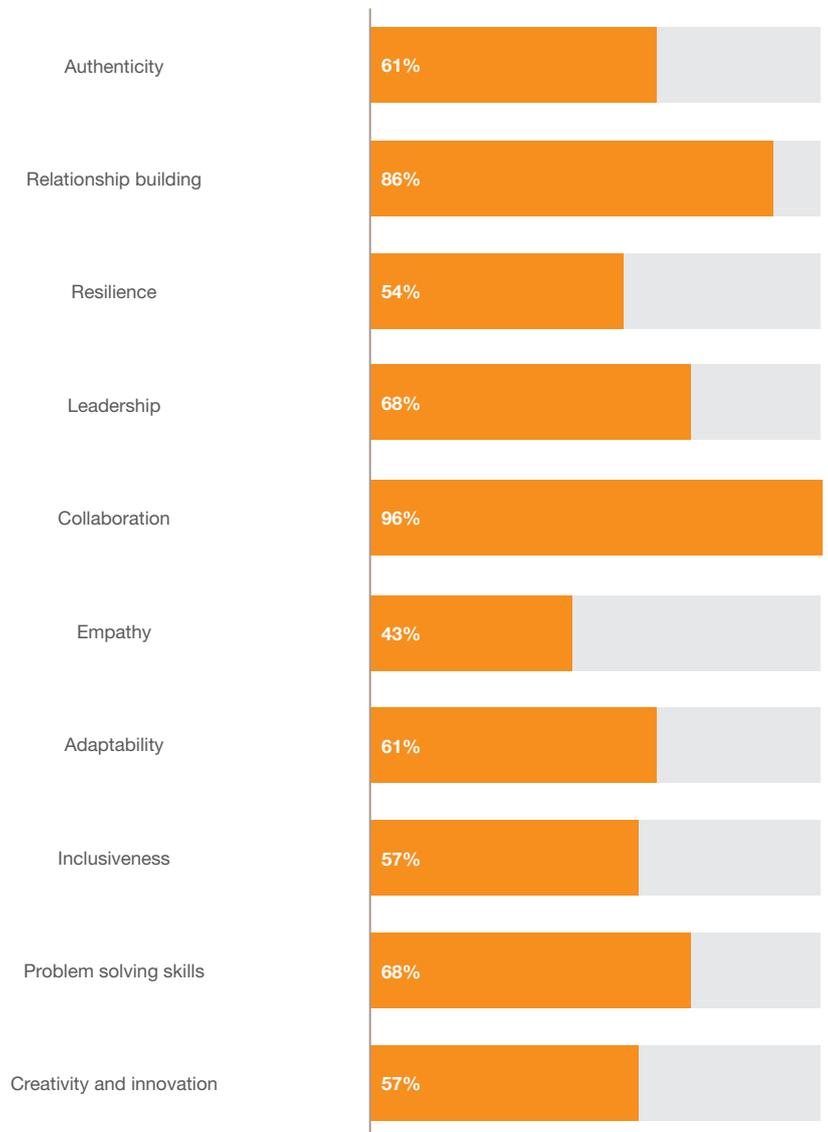
Employee



How important are the following skills and attributes to your organisation?

Respondents answering very important

Employer



Source: OutNEXT/PwC Out to Succeed survey

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## LGBT+ talent continues to be undervalued

The LGBT+ talent in our survey wants employers to offer focused programmes and opportunities to help them realise their potential. The fact that such support is low on the priority list of recruitment offerings raises questions about whether companies sufficiently value LGBT+ talent or understand the opportunity that exists.

The aim of LGBT+ focused career-development support isn't to provide favourable treatment for LGBT+ talent; rather it is to offer guidance, inspiration, and visible role models, while clearing away any potential biases – overt, covert and unconscious – that hold the employees, and therefore the employer, back.

Just like any other high-potential employee, the LGBT+ talent in our survey are looking for great opportunities and to be rewarded for their hard work and skills (see Exhibit 3). Yet, these aren't enough to attract and retain LGBT+ talent on their own. The value of LGBT+ inclusion in making your business an employer-of-choice is highlighted by participants' focus on an employer's reputation for fairness and equality when deciding where to work. While high-ranking for all employees (71% cited reputation as very important and almost all as at least somewhat important), this is especially important for the women in our survey (80% of women cited it as very important compared with 67% of men). Also highly valued are programmes supporting LGBT+ employees (e.g. benefits packages that include coverage for the partners of LGBT+ employees and LGBT+ specific training and development programmes).

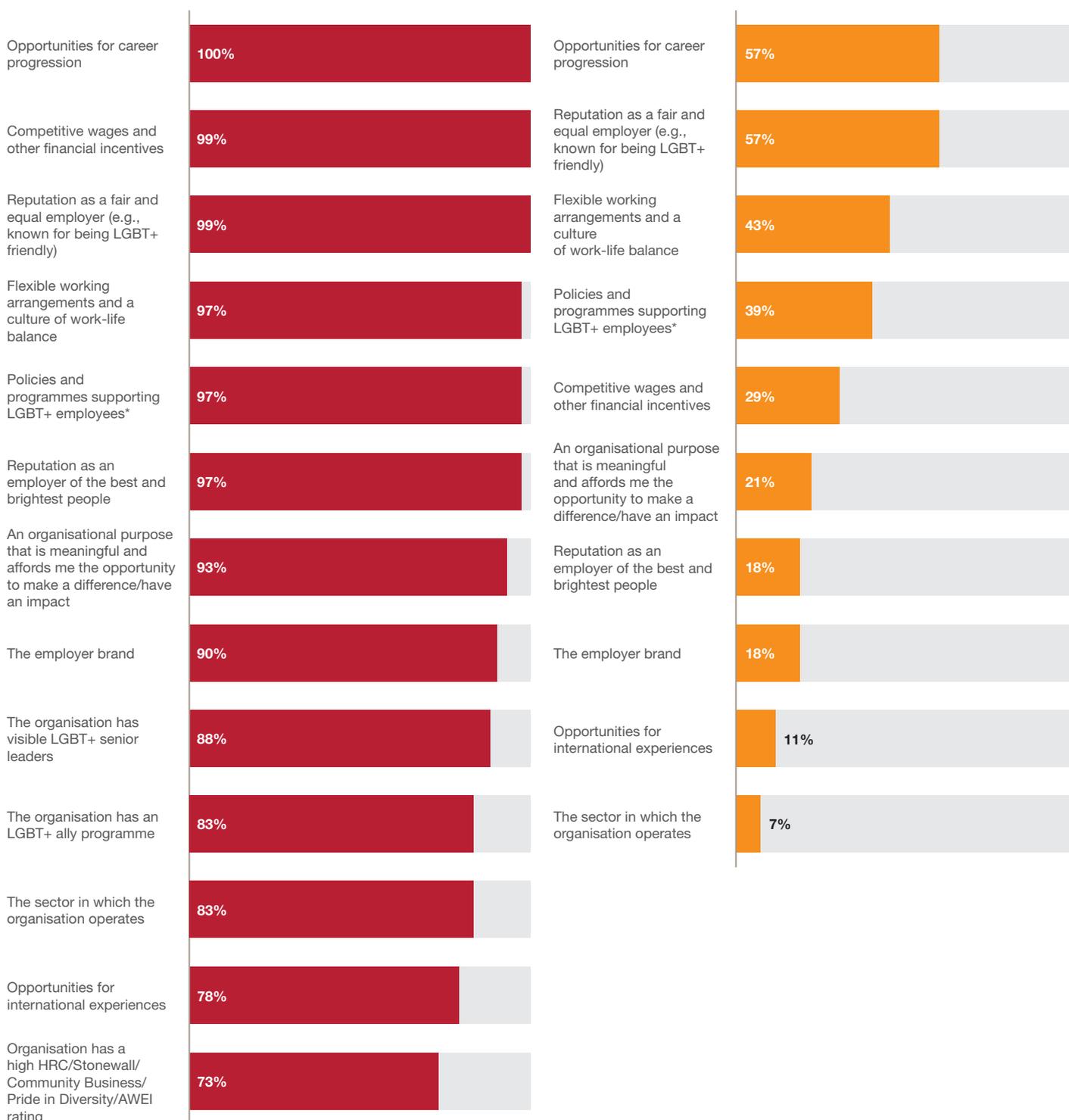
“Business leaders that do not see attracting LGBT+ talent as a business imperative and value the different perspectives that diversity can bring are so far behind. There is so much research that backs this up.”

Cathy Verhoff, Chief Diversity Officer, PGIM

### Exhibit 3: Attracting LGBT+ Talent

**Employees: What attributes make an organisation attractive to LGBT+ talent?**  
 Respondents answering very/somewhat important

**Employers: What are the top three factors you believe make your organisation an attractive employer for LGBT+ individuals?\***  
 Respondents were able to select up to three



\* (e.g., good benefits packages including pensions, healthcare and other benefits such as insurance for LGBT+, and LGBT+ specific training and development programmes)

\*\* The categories 'the organisation has an LGBT+ ally programme', 'the organisation has visible LGBT+ senior leaders' and the 'organisation has a high HRC/Stonewall/Community Business/Pride in Diversity/AWEI rating' were not included in the employer survey.

“[What I want from an employer] is understanding and helpful HR to tackle issues related to transition (for transgender employees), and any possible discrimination, complaints, or gossip that may arise due to ambiguity.”

Employee

### The power of visible out leaders

Nearly 90% of employees believe that visible LGBT+ leaders within a company are important, though a high proportion of organisations don't have senior LGBT+ leaders who are visible. This is especially true at the board level, where only a handful of companies globally include LGBT+ in the definition of board diversity, according to Out Leadership research.

LGBT+ ally programmes are also very important. While local laws should be taken into account, these ally programs can have particular importance in areas of the world where LGBT+ employees may not have social or cultural acceptance and support outside of the workplace. A significant number of Out Leadership member firms have launched ally programs in LGBT+ unfriendly regions such as the Middle East, Africa and some places in Asia as part of their efforts to support LGBT+ employees, as well as other minority communities in

the region. Some of these ally programs are designed to be LGBT+ inclusive, with a broader diversity and inclusion focus, while others are meant to be a first step toward a more LGBT+ focused effort, but starting with allies.

The presence of role models and ally networks helps to assure ambitious individuals that their aspirations can be met – nearly three-quarters are aware of openly LGBT+ senior-level employees at their company.

### Missing out on key talent

Given the importance of a reputation as a fair and equal employer to LGBT+ talent, it is perhaps surprising that more than 40% of the businesses in our survey don't see it as a prominent factor in their ability to attract LGBT+ talent, highlighting the need for a closer focus on this area. Only around 40% see specific programmes supporting LGBT+ employees as making them attractive to LGBT+ talent, despite the very strong demand.



## Support for LGBT+ talent is falling short

The gap between employee aspirations and actual experience highlights the extent to which many organisations are failing to create a sufficiently inclusive environment and a clear pathway for progression. Bridging this divide is crucial in capitalising on the business benefits of LGBT+ inclusion.

If employers want to help LGBT+ talent to realise their potential, this demands focused and effective recruitment, as well as retention and development programmes. Yet, even if these programmes are in place, high-potential LGBT+ employees are often unaware, or perhaps even sceptical, of them.

More than 60% of the businesses in our survey have a programme specifically focused on recruiting LGBT+ employees, though only 35% of employees know it's there. Fewer than 30% of employers have a programme focused on retention of LGBT+ employees. Even fewer employees (12%) are aware of it.

The survey showed that career progression is an employee's number-one priority. And the bulk of LGBT+ employees see LGBT+ specific training and development programmes as important in making them want to work for an organisation. Yet while nearly 60% of employers take steps to create a pathway to senior management for LGBT+ people, only around 40% of employees believe this is the case. And while most employers take steps to create a pathway for progression, less than 30% offer the specific LGBT+ focused development and progression programmes that most LGBT+ employees in our survey want. If these high performers don't feel they can thrive or progress, they'll leave.

“Diversity and inclusion is not just a ‘nice to have’ – it is central to our purpose, and we recognise that diverse teams are linked to business performance and success.”

Birgit Neu, Global Head of Diversity & Inclusion, HSBC

The shortfall in support for LGBT+ talent is further highlighted by how few of the employees in our survey have mentors or sponsors (see Exhibit 4), though they are more likely to do so in the U.S. than other parts of the world. The men in our survey are more likely to have access to this LGBT+ support than women (11% of men have an LGBT+ sponsor, compared with 8% of women and 29% of men have an LGBT+ mentor, compared with 23% of women).

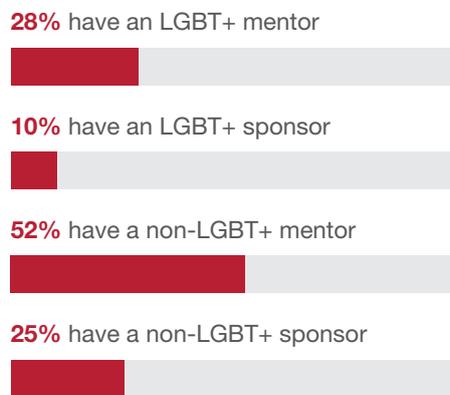
Mentors provide professional guidance and signposting. Sponsors take this further by helping to provide those identified as future leaders with the connections and experience that can help them progress. It's sometimes said that mentors show you the door and sponsors help you to open it.

The availability of mentoring and sponsorship demonstrate that LGBT+ talent is valued. Previous research found that less than 10% of LGBT+ talent had a sponsor, lower than the working population as a whole. The sponsors of 63% of LGBT+ men and 40% of LGBT+ women were themselves LGBT+, a higher proportion than in our current survey. Where LGBT+ talent did have a sponsor, affinity provided a strong basis for the relationship. Those who had LGBT+ sponsors reported feeling less isolated and enjoying expanded networking opportunities. For people who've traditionally been underrepresented in management or who may lack the confidence to push themselves forward, this kind of active support is also especially valuable in breaking through barriers.

“For too many LGBT+ employees, many organisations still feel closeted. This hinders not only the organisations in recruiting and retention, but, more importantly, this hinders the careers of LGBT+ professionals. All of us need to create inclusive environments where LGBT+ talent can feel safe, free to be their true selves, and fully participate in the workplace.”

Bob Moritz, Global Chairman, PwC

#### Exhibit 4: Personal guidance and support



Source: OutNEXT/PwC Out to Succeed survey

#### Creating an inclusive environment

More than 80% of the employees in our survey feel comfortable being out at work. This is encouraging. Previous research has shown much greater reluctance to be open in the workplace, with more than 70% of employees in some countries not being out in their professional lives. However, the high rate of openness within our survey could be due to the fact that our sample is made up of high-performing, high-potential developing leaders who may feel more secure in their position, as opposed to the broader employee population.



But masking one’s LGBT+ identity (‘covering’) remains prevalent, even within this predominantly OutNEXT cohort. Nearly half of the employees in our survey are aware of junior/ same-level colleagues who are not out. Three in ten are aware of a more senior colleague who is not out. While around 60% of U.S. employees were out during their interview for their current organisation, this is much lower in other parts of the world (see Exhibit 5).

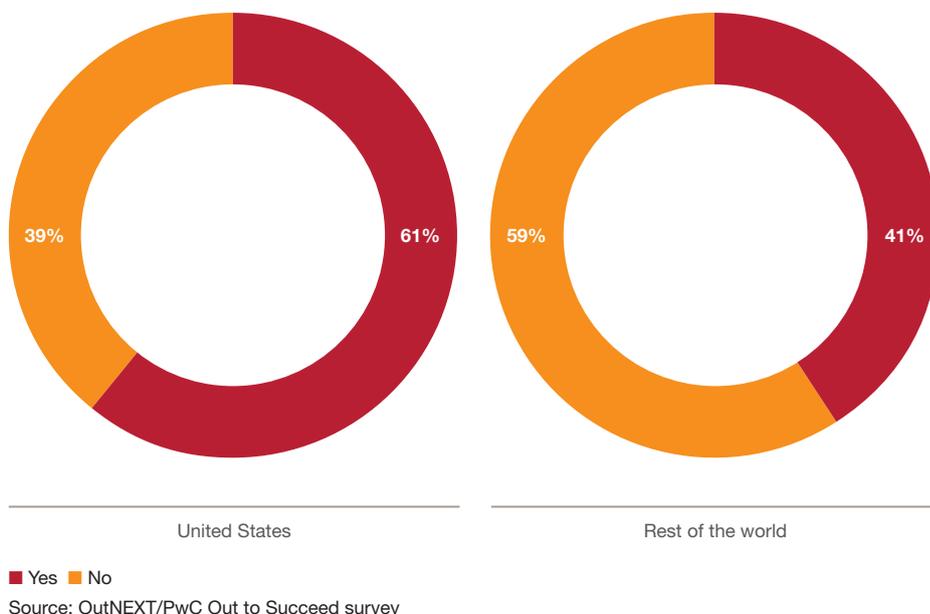
The survey also reveals a two-year gap between the median age when participants came out to family and friends (age 21) and when they come out at work (age 23). Among participants from Asia (ages 21 to 25) and women globally (ages 20 to 25) the gap is even wider. This reluctance to come out at work should be a cause for concern for companies that think they’re doing enough to create a welcoming environment.

Even a high proportion of the openly LGBT+ talent in our survey prefer to cover aspects of their lives and behave in a guarded way in the workplace. Two in five avoid mentioning their life outside work, an improvement on the findings from a previous study, albeit small. One in three have kept quiet when they’ve heard negative comments about LGBT+ people. And such reticence is prevalent across all regions within the survey. Covering exacts a heavy toll – and not just on the individual. Employers never realise the full potential of their top talent, because these employees don’t feel comfortable being themselves at work.



**Exhibit 5**

Were you out during your interview and application process?



Encouragingly, more than 90% of the employees in our survey would recommend their place of employment to an LGBT+ friend (see Exhibit 6). Yet the endorsement isn't universal. A significant proportion (39%) believe their organisation isn't doing enough to encourage LGBT+ diversity in the workplace. More than a third of employees feel that their organisation talks about LGBT+ diversity, but opportunities aren't really equal for all. It's telling that nearly 40% of employers agree.

### Exhibit 6: Employees perspectives on diversity in their organisation

#### My organisation talks about LGBT+ diversity



#### My organisation creates a diverse, inclusive work environment



#### My organisation has LGBT+ programmes and policies



#### My organisation talks about LGBT+ diversity, but I do not feel opportunities are really equal for all



#### My organisation is not doing enough to encourage LGBT+ diversity in the workplace



#### I would recommend working at my place of employment to an LGBT+ friend



■ Strongly agree ■ Agree ■ Disagree ■ Strongly disagree

Source: OutNEXT/PwC Out to Succeed survey



“We need to focus on diversity generally, but also areas such as LGBT+ and people of colour specifically as there are different needs within these different communities.”

Chris Crespo, Inclusiveness Director, EY

### Prejudice and discrimination

Nearly one in five (19%) of the employees in our survey have experienced discriminatory or negative behaviour toward themselves or others at their company due to being LGBT+. Women are much more likely to have experienced such behaviour than men (25% have compared with 16% of men). This can be unconscious or unspoken bias. Our participants report “unintended heteronormative presumptions and work culture,” as well as occasional instances of “underground negative behaviour,” such as when a manager “avoids giving work to an LGBT+ associate or criticises subjective qualities based on stereotypes.” Survey participants also report much more overt discrimination including being passed over for promotion or being bullied for the way they dress.

### Industries where LGBT+ talent feels unwelcome

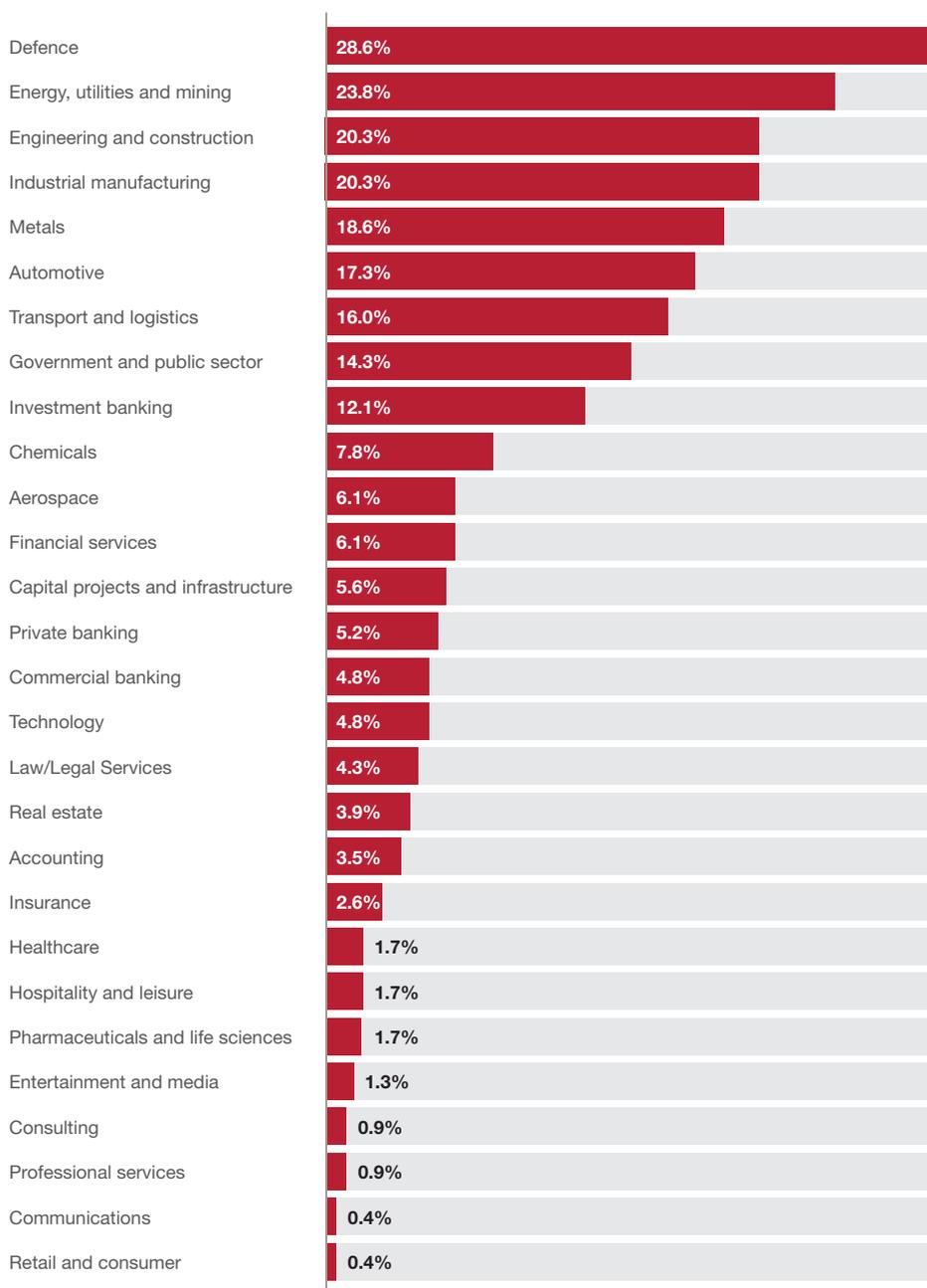
When asked if there are any sectors in which you would NOT wish to work solely because of that company’s image/reputation as an LGBT+ employer, 20% or more said defence, energy, utilities and mining, engineering and construction, and industrial manufacturing (see Exhibit 7). In Asia, the government and public sector had a similarly negative image (24%). Overcoming these image problems by more actively focusing on LGBT+ inclusion should be a priority for these industries.

The sectors with the most positive image (less than 1% being put off by their reputation on inclusion) are retail and consumer, communications, consulting, and professional services. Entertainment and media, pharmaceuticals and life sciences, hospitality and leisure, and healthcare also rated well. These sectors will be in the strongest position to attract and retain LGBT+ talent.

#### Exhibit 7: Industry image

Are there any sectors in which you would NOT wish to work solely because of their image/reputation as a LGBT+ employer?

Percentage of participants citing a particular sector



Source: OutNEXT/PwC Out to Succeed survey

# Five ways to turn equality into a global reality

Progress is being made, but there is still a long way to go. How can your business support equality and open up the full business benefits of LGBT+ inclusion? Here are five things you can do to encourage LGBT+ talent in your work environment:

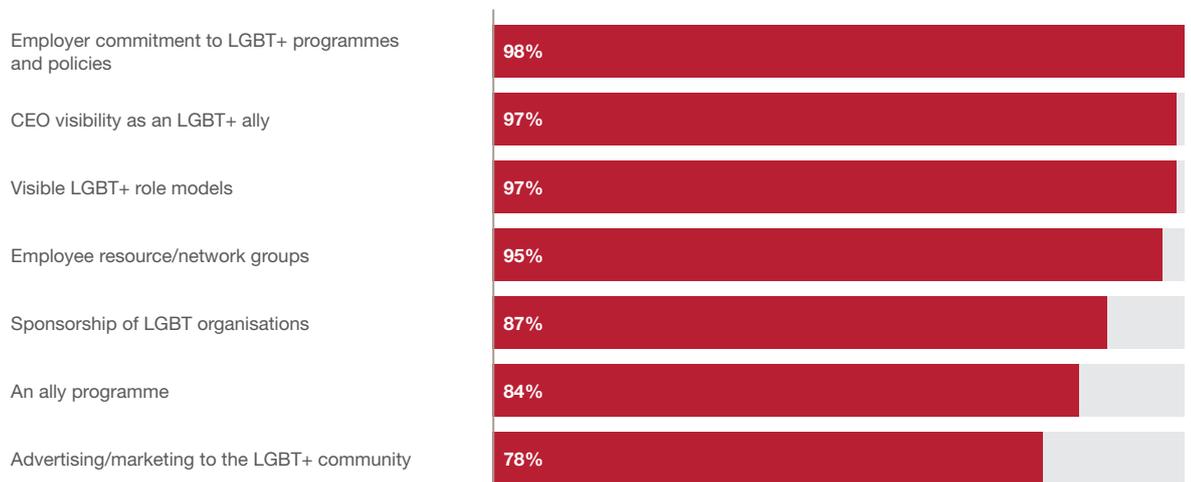
## 1. Set the right tone from the top and engage CEOs

When LGBT+ employees are asked about their priorities for creating an inclusive culture (see Exhibit 8), almost all cite CEO visibility as an LGBT+ ally and visible LGBT+ role models. While speaking out still carries risk in parts of the world, in other places there is a business risk to not speaking out on inclusion.

### Exhibit 8: Participants' priorities for creating a more inclusive culture

How important are the following to you in creating an inclusive culture for LGBT+ employees?

Respondents answering very/somewhat important



Source: OutNEXT/PwC Out to Succeed survey

**“The most effective value you can have as a leader is to engender loyalty by embracing diversity. I remember the atmosphere facing LGBT+ traders in the 1990s as being less than supportive, but a colleague felt able to come out to me personally, partly due to me being publicly supportive of the LGBT+ community. That colleague became incredibly loyal to the firm.”**

**Jes Staley, Group Chief Executive, Barclays**

But how do companies get leadership buy-in? What comes through strongly from our interviews with CEOs is how personal experiences – friends, family, and colleagues – have shaped their LGBT+ advocacy. In ensuring inclusion gets the board-level attention it merits, many highlight the importance of positioning inclusion as a business issue that’s fully aligned with business objectives. These CEOs also stress dialogue with colleagues, often through ‘reverse mentoring’ by LGBT+ employees within their organisations to help leaders gain a better understanding of the experiences of LGBT+ colleagues and the particular issues they face.

## **2. Create clear pathways for career progression**

Almost all employees see employer commitment to LGBT+ programmes as very important in creating an inclusive culture. A key part of this is targeted leadership-development opportunities for LGBT+ leaders.

Programmes like OutNEXT can help give high-potential LGBT+ talent the skills and confidence to lead and succeed. As the survey shows, however, the proportion of employees with sponsors or mentors is quite low, underlining the need for additional support.

It’s important to regularly monitor and review data on LGBT+ talent at each stage of the talent pipeline to identify the issues most in need of tackling (e.g., image, recruitment, promotion, or attrition issues). Regular tracking of progress against targets would also enable organisations to monitor whether policies to increase diversity are having

an impact, and to take corrective action if not.

Measurement is most effective when there is a baseline of self-identified LGBT+ employees against which their rewards, job satisfaction, and career advancement can be benchmarked and tracked, though few companies have this in place. Some businesses may be reluctant to introduce this kind of self-identification due to misinformation in the marketplace about what is both legal and possible. Before proceeding with any self-identification or tracking of LGBT+ employees, it is important to seek legal advice relevant to your location to understand if such tracking is permissible. Should a company choose to introduce self-identification, it is vitally important to clearly communicate how the data that’s collected will be used and why it matters to the employees and the company.

**“Metrics are important – organisations respond to what they measure. You can’t ignore data. It helps us internally to better benchmark and then track progress. You do not know where you are going until you know where you have been.”**

**Brian Duffy, Chief Executive Officer, Greenberg Traurig**

Based on Out Leadership’s work with companies that have implemented self-identification in over 30 countries, companies should expect that initial reporting will significantly undercount the actual population. As the employee base becomes more comfortable with how the data is used, and its impact on their lived experience, a more accurate count should emerge.

A further way to promote fairer identification of and progression for people with leadership potential is to appoint a dedicated ‘talent watcher’ from within the executive team, who has the influence to ensure that the people being watched have access to appropriate assignments, and that barriers to progression are removed. The talent watcher should also take the lead in investigating why a high-potential LGBT+ employee might choose to leave the organisation and address the underlying issues, if any. This role is even more important when international assignments in LGBT+ unfriendly regions are possible.

**“We’re introducing LGBT+ self-identification in our HR systems. The benefits include enabling us to track who is being recruited, how they progress and their levels of reward and satisfaction, and then compare this against non-LGBT+ peers. We can then use this data to help identify and tackle barriers to fairness and equality.”**

**Mark McLane, Global Head of Diversity & Inclusion, Barclays**

“A good leader must represent the greater good and inspire others to do the same. Being an active advocate and ally for LGBT+ equality and inclusion is a clear case in point. Leaders can’t hide or ignore these issues – this is where we must act, where we must be loud in our support for LGBT+ colleagues.”

Bob Moritz, Global Chairman, PwC

### 3. Stand up and advocate for equality

More than 90% of employees surveyed believe that it’s important that their company is visibly engaged in LGBT+ equality, and leverages its reach to advance LGBT+ rights. Similarly, nearly 90% of employees see the sponsorship of LGBT+ organisations as important in creating an inclusive culture.

It is useful here, when thinking about companies that operate in LGBT+ unfriendly regions, to refer to the 2016 Center for Talent Innovation survey on the matter, which divides companies into distinct levels, or categories, of corporate engagement. Those that obey the laws in place are called ‘When in Rome’ companies – 24% of our employee participants say this describes their company. The next level of corporate engagement, where a company’s policies supersede local law, but only within a company’s four walls, is called the ‘Embassy model’ – 33% of employees say this describes their company. The third group are ‘Advocates’ for LGBT+ equality, which seek to effect change in cultural attitudes outside the workplace – 43% of our employees say this describes their company. A company could operate in all three models simultaneously, depending on where in the world the question is asked, and the challenges or opportunities that exist in that region. Participants in the U.S.

are more likely to see their employers as advocates than counterparts in other parts of the world. More than half of the businesses in our survey see themselves as advocates, which suggests that they believe they are more active champions of equality than their LGBT+ employees perceive them to be.

Advocacy and active engagement should include awareness of the barriers that may hold LGBT+ employees back and active intervention to tackle them.

It should also include awareness of the socio-political environment for LGBT+ people in the places where companies do business, some of which may have high levels of discrimination. Showing LGBT+ talent and their friends and family that your organisation is supportive is a clear signal that your commitment to inclusion is genuine and deep-rooted.





#### 4. Build and empower ally networks

LGBT+ networks can help create a more inclusive environment by fostering engagement, advocacy and communication. Four out of five employees have a formal LGBT+ network within their organisation and more than 70% attend LGBT+ network events.

Non-LGBT+ allies are also important in fostering understanding, solidarity, and advocacy. If an employee finds that they're the only LGBT+ person on their team, it's reassuring to know that they have allies around them. Knowing colleagues would be supportive of them is the factor that participants cite as the most important in encouraging them to come out within their organisation.

To that end, more than 80% of employees see an ally programme as important in creating an inclusive culture. Nearly 70% are aware of vocal allies within their leadership team. "I've been able to build a strong network of peers that are either LGBT+ or strong allies, which provides me a safe space at work," said an LGBT+ employee taking part in our survey. Another said: "I am an out trans woman, which makes me extremely memorable in my field. This could be terrible, but since I work with a lot of straight allies, it works out to be a huge benefit."

"All too often, CEOs and senior leaders who want to be allies are afraid of saying the wrong thing, using the wrong term or the wrong acronym. And unfortunately, they make the decision that rather than risking saying the *wrong* thing, they say *nothing*, leaving it to employees to make assumptions about their support. Unfortunately, due to the deep discrimination that still exists globally, the 'assumption of negative intent' is very strong in the LGBT+ community. This means that if a leader says nothing, it's highly likely that LGBT+ colleagues will assume that their leader is not LGBT+ supportive – an unfair but very common occurrence. Therefore, it's vitally important that allies also 'come out' and continue to do so in meaningful and visible ways."

Todd Sears, Founder and Principal of Out Leadership

"Allies are critical in giving everyone a sense of belonging. Our ally programme stretches from senior participation in PRIDE events to publishing a regular viewpoint from a managing director or other senior leader on an inclusion, diversity, and culture topic... You cannot overestimate the value of visible role modelling and proactive engagement."

Sapna Shah, Global Inclusion, Diversity & Culture Leader, PIMCO



“People find it relatively easy to talk about women – they make up half the world. But they aren’t so sure what to say regarding LGBT+ and BAME [people from Black, Asian, and Minority Ethnic communities]. Because they’re frightened that they will say the wrong thing, they often end up saying nothing. But we believe we need to broaden the dialogue on diversity.”

Amanda Blanc, Former Group Chief Executive, AXA UK and Ireland

As we’ve seen, however, many employees believe that their organisations talk about diversity and equality, but don’t always take sufficient concrete actions. Similarly, organisations may actively target or include LGBT+ people in their marketing and communications, but the content may reinforce stereotypes or contain unconscious biases.

### 5. Create inclusive communications

Communications should be inclusive of LGBT+ people internally and externally. More than three-quarters of employees see advertising/marketing to the LGBT+ community as important in creating an inclusive culture.

A possible starting point is seeking to be neutral in areas such as not assuming couples or parents are necessarily male and female. Many companies have gone further with great success by embarking on a full review of the language used in all their documents, policies, and advertising and marketing materials globally. Ultimately, inclusive communication is about understanding, authenticity, and giving people a voice, which requires engagement and dialogue.

## LGBT+ talent is Out to Succeed – help them

The businesses in our survey want to promote LGBT+ inclusion. Yet the fact that so many high performers and potential leaders fear that they won't be able to realise their full potential, or that to succeed they need to be someone they are not, underlines the need to go further. At stake, is your brand, performance, and ability to attract and retain key talent, LGBT+ and non-LGBT+.

In this report, we've set out five ways that you can turn high-level intentions into reality. You can chart your progress by gauging whether you agree, partially agree, or disagree with the following statements:

1. Our organisation and its leadership actively advocate for LGBT+ equality.
2. LGBT+ employees feel valued, rather than just accepted.
3. LGBT+ employees feel empowered to bring their whole selves to work, without feeling the need to pass or cover.
4. Our organisation has visible LGBT+ mentors, role models and allies to assure LGBT+ talent that any discrimination will be challenged, and their career aspirations can be met.
5. Our framework for talent assessment, promotion, and access to training/ key assignments has been updated to enhance awareness of potential barriers facing LGBT+ high performers, and supporting them toward reaching their potential.
6. We regularly review promotion rates and other key indices to test for fairness and identify potential biases.
7. We have procedures for understanding why LGBT+ talent may leave or not reach their potential, and how this can be addressed.

Seeking to take inclusion further and challenging your organisation on progress provides an opportunity to realise the full potential of your people and create a stand-out commercial and employer brand.

“The biggest legacy I leave behind at HSBC is getting LGBT+ to be seen as a serious focus for the organisation. This is more important to me than any other business successes.”

Irene Dorner, Chair of Virgin Money and former CEO of HSBC North America

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## Methodology

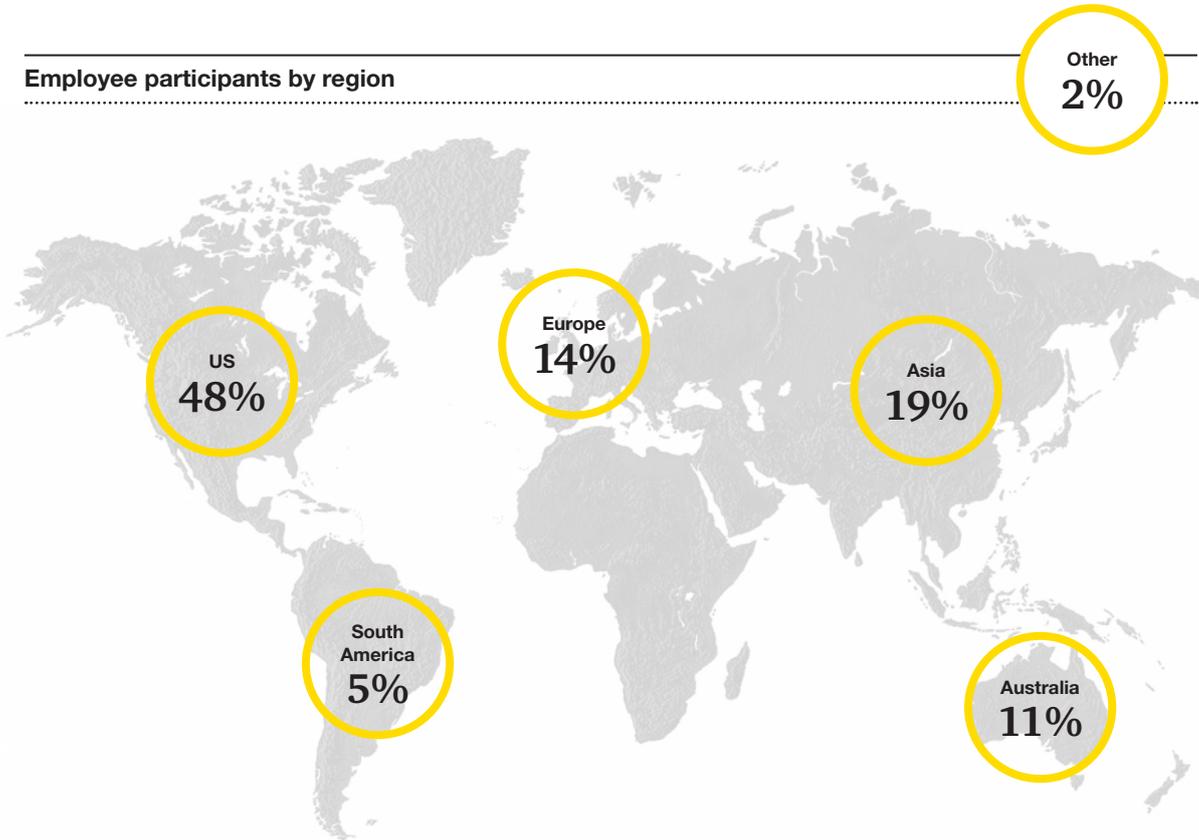
PwC and Out Leadership conducted a global survey of 231 high-potential LGBT+ employees and 28 corporate leaders from Out Leadership member organisations over the time period of December 2017 to March 2018. The employees are mostly those participating in OutNEXT. Participants also include OutNEXT alumni and high-potential employees who have moved from Out Leadership member firms to non-member organisations.

All of the surveys were conducted online and all quantitative surveys were conducted on a confidential basis.

The base for figures is 231 employees and, where included, 28 corporate leaders from OutNEXT member organisations, unless otherwise stated. We also conducted in-depth interviews with CEOs and Diversity & Inclusion Leaders of OutNEXT member organisations over a two-month timeframe. Their interviews are quoted in this report. The research was undertaken by PwC and Out Leadership. Not all figures add up to 100%, as a result of rounding percentages.



**Employee participants by region**



**Survey of 28 corporate leaders from Out Leadership member companies**

**Business participants by region**

In which region(s) does your organisation operate?  
(Choose all that apply)

North America	96%
Central & Southern America	61%
Asia	82%
Australasia	75%
Europe	86%
Middle East	61%
Africa	50%

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## Contributions and interviews with business leaders

### Business leaders

Amanda Blanc, Former Group Chief Executive, AXA UK and Ireland

Bob Moritz, Global Chairman, PwC

Brian Duffy, Chief Executive Officer, Greenberg Traurig

Irene Dorner, Chair of Virgin Money and former CEO of HSBC North America

Jeff Bewkes, Chairman and CEO, Time Warner

Jes Staley, Group Chief Executive, Barclays

### Diversity and inclusion leaders

Birgit Neu, Global Head of Diversity & Inclusion, HSBC

Cathy Verhoff, Chief Diversity Officer, PGIM

Chris Crespo, Inclusiveness Director, EY

Mark McLane, Global Head of Diversity & Inclusion, Barclays

Randall Tucker, Chief Inclusion Officer, Mastercard

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