Better Business: The Benefits of LGBTQ+ Workplace Inclusion

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In 2019, the U.S. Chamber of Commerce Foundation published a paper on LGBTQ+ (lesbian, gay, bisexual, transgender, queer, and more) inclusive practices in the workplace through one of its research and education initiatives, Incorporating Inclusion. A key finding from interviews with Fortune 500 companies shows that companies embrace LGBTQ+ inclusion to attract the best talent, allowing them to better engage and retain LGBTQ+ employees and cultivate strong relationships with stakeholders. Additional findings pointed to businesses needing a formal communication process about their LGBTQ+ inclusion practices, and the authenticity of those practices being reinforced when businesses support the LGBTQ+ community outside of their workplace. These results strengthened a growing body of research making the case that LGBTQ+ workplace inclusion leads to business success.

This study builds on the previous work by examining lingering questions uncovered in the 2019 report regarding the mechanics of how businesses develop and evaluate their LGBTQ+ inclusive practices. Businesses continue to struggle with how to collect data from their LGBTQ+ employees, which can assist in LGBTQ+ recruiting and external reporting. Additionally, there is little standardization of measuring and evaluating LGBTQ+ inclusive practices, which presents challenges for businesses seeking to maximize the efficacy of their activities.

The Covid-19 pandemic and George Floyd’s death in 2020 have also generated new changes and questions regarding LGBTQ+ inclusion in the workplace that have developed since the 2019 report. How did these events affect businesses’ approach to LGBTQ+ inclusive practices? What were the outcomes of these changes?

To examine these issues, the U.S. Chamber Foundation gathered insights from participants who attended its recent years’ past forums, as well as secondary research.

Findings show that businesses seek trusted expert knowledge as they develop their LGBTQ+ inclusive practices. Advances in data collection and programmatic monitoring and evaluating also contribute to the success of such activities. And workplace changes that have evolved as a result of the COVID-19 pandemic and George Floyd’s death coalesced to help businesses better support LGBTQ+ employees’ needs.

Taken together, these efforts enhance the effectiveness of businesses’ LGBTQ+ workplace initiatives. As a result of their LGBTQ+ commitments, businesses will continue to reap numerous rewards that will drive their prosperity and that of their LGBTQ+ employees.
A growing amount of research on LGBTQ+ inclusion in the workplace reiterates what the U.S. Chamber Foundation’s 2019 study found: It is good for business. Companies continue to experience augmented returns and productivity as a consequence of their LGBTQ+ inclusive practices. Recent research suggests that such practices have a positive impact on profitability and market valuation. Furthermore, businesses that are more inclusive of LGBTQ+ employees have recorded productivity levels 3% higher than less inclusive ones.

For their part, businesses increasingly acknowledge the advantages of strengthening their LGBTQ+ workplace inclusion. The Human Rights Campaign’s 2022 Corporate Equality Index report indicates that 91% of Fortune 500 businesses now have gender identity protections in their nondiscrimination policies, reflecting their recognition of the importance of an LGBTQ+ supportive work environment.

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**Research Making the Business Case for LGBTQ+ Inclusive Practices**

Firms with LGBTQ+ inclusive practices show positive impact on profitability and market valuation.

**LGBTQ+ workplace inclusion improves business financial performance.**

**LGBTQ+ employees are more devoted to their jobs and are more productive in inclusive workplaces.**

Companies that are more inclusive of LGBTQ+ employees recorded productivity levels 3% higher than less inclusive ones.

70% of LGBTQ+ employees are more inclined to stay with their current employer because of its approach to LGBTQ+ inclusion.

72% of LGBTQ+ allies say they are more likely to accept a job at a business that supports LGBTQ+ employees.

Among the top 50 Fortune 500 companies, attracting talent is seen as a major benefit for adopting policies that specifically focus on LGBTQ+ inclusion.
However, as companies expand their LGBTQ+ inclusive practices, questions remain about the most advantageous route to develop and improve LGBTQ+ workplace inclusion. Given that LGBTQ+ employees working in businesses with more protection from discrimination have higher levels of job satisfaction and commitment, finding reliable sources to establish the appropriate standards and then determining how best to monitor and enhance them is critical to a successful initiative.12

Other questions about LGBTQ+ workplace inclusion have evolved from societal events that have occurred since the U.S. Chamber Foundation’s report in 2019. The COVID-19 pandemic and the death of George Floyd in 2020 served as major catalysts that transformed the American workplace, but little is known about how they have influenced LGBTQ+ inclusive practices.

When the U.S. went into pandemic lockdown in March 2020, employers were forced to rapidly reassess their work environments. While some businesses shut down temporarily, others migrated their workforces to a virtual environment or made accommodations to ensure a work environment as safe as possible for essential workers.

For the LGBTQ+ workforce, the COVID-19 pandemic experience was different than it was for other groups. Initially, LGBTQ+ employees were affected adversely in industries like food services, lodging, and retail, which have higher proportions of LGBTQ+ workers and were more likely to have experienced closure of their brick-and-mortar workplaces.13

Employees have gone back to their jobs as the pandemic has eased, and life has returned to some semblance of its pre-pandemic normal. Uncertainty still exists, though, around the permanency of changes to LGBTQ+ inclusive practices that businesses made during COVID-19.

In addition to the COVID-19 pandemic, the national fury and response to the death of George Floyd in May 2020 and subsequent protests fueled businesses to build on their existing employee programs and policies on race as well as their broader diversity and inclusion (D&I) initiatives, which include LGBTQ+ employees. As a result, businesses have expanded their D&I efforts significantly. In a survey of human resources professionals, 85% said that their business had expanded its D&I activities and increased C-suite involvement, and 70% either started or enhanced diversity and inclusion training.14 Whether this translates to benefits for LGBTQ+ employees is yet to be determined.

This study seeks to clarify these issues, building on the U.S. Chamber Foundation’s Incorporating Inclusion work and shedding light on the changes that businesses have made to their LGBTQ+ workplace inclusion efforts since 2020.
Methodology

To answer these questions, the U.S. Chamber Foundation gathered insights through interviews with 10 participants who attended its 2019 and 2020 Incorporating Inclusion regional forums in Columbus, Ohio; Orlando, Florida; Arlington, Virginia; and Washington, D.C. Information was also gleaned from more recent regional forums in Columbus, Ohio, on August 9, 2022; Charlotte, North Carolina, on August 31, 2022; and Irving–Las Colinas, Texas, on October 22, 2022. Finally, secondary internet research was carried out to expand on the existing body of academic information on LGBTQ+ inclusion in the workplace.
Developing LGBTQ+ Inclusive Practices: Where to Begin

Very rarely do businesses start from scratch in creating or advancing their LGBTQ+ inclusive practices. Instead, they rely on information collected from respected, knowledgeable sources in the LGBTQ+ community about issues they face in the workplace.

The Human Rights Campaign (HRC) Foundation and Out and Equal are well-established national LGBTQ+ organizations, and respondents—particularly larger companies—said that they most often consult them for guidance. Businesses either access the educational materials published by such organizations or engage them directly as third-party advisers to create or improve upon their LGBTQ+ inclusive practices.

Companies also utilize other methods of developing or modifying LGBTQ+ workplace inclusion. In larger businesses, employee resource groups (ERGs)—voluntary, employee-led groups whose aim is to foster a diverse, inclusive workplace that aligns with the businesses they serve—are a source of information.

In contrast, small and medium-size businesses frequently turn to local sources. One business owner stated that they had obtained expert education and training from a nearby academic institution that had a department specializing in LGBTQ+ workplace programs.

Another business said that because no one on its senior leadership team identified as LGBTQ+, it collaborates with regional nonprofit LGBTQ+ organizations to host town halls to learn how the business could enhance its activities.

Once businesses learn how to make their workplaces more LGBTQ+ inclusive, they readily share it with their employees, as highlighted in discussions during the recent Incorporating Inclusion forums.

Novant Health, for example, provides education across its 800 locations, including 15 hospitals and hundreds of outpatient facilities and physician clinics in North Carolina to deliver LGBTQ+ inclusive care. And Goodwill Industries of the Southern Piedmont has helped educate its employees on the organization’s D&I and belonging efforts as well as instructing other employers about what they can do to create inclusive workplaces for the LGBTQ+ community, such as ensuring that D&I trainings include LGBTQ+ inclusive practices, providing inclusive healthcare options, or accommodating individuals who have undergone gender transition.

“Building an inclusive workplace has attracted the best and brightest to our firm.”

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MIDSIZE LAW FIRM
Evaluating the Effectiveness of LGBTQ+ Inclusive Practices

 Businesses know that they need to monitor and measure the progress of their LGBTQ+ workplace inclusion. Many of the business respondents conduct surveys internally to capture feedback from their employees, which helps them make critical adjustments to their LGBTQ+ inclusive practices.

 For larger employers, one area where they have increased their activity is self-identification (self-ID) of LGBTQ+ status. While employers are not required to report sexual orientation or gender identity to the U.S. Equal Employment Opportunity Commission for EEO-1 reporting, businesses are increasingly encouraging their LGBTQ+ employees to provide their demographic data, which, in turn, helps businesses identify barriers to LGBTQ+ employment, advancement, retention, engagement, and inclusion. Through the information collected, businesses can prioritize resources, identify biases, and look for opportunities to further their D&I and LGBTQ+ workplace initiatives.

 As one example from the Incorporating Inclusion regional forum in Charlotte, North Carolina, home improvement retailer Lowe’s depends on countless sources of data to inform the business’ inclusion strategy, including self-ID. To assess progress, Lowe’s implements a voluntary self-ID survey of employees asking them about their sexual orientation and gender identity to establish a baseline of LGBTQ+ representation at the business and inform how the company can better meet the needs of its LGBTQ+ employees.

 Beyond surveys, ERGs and other internal allies help shape LGBTQ+ inclusive practices, serving as valuable sources of feedback to determine their effectiveness. For instance, one business has a D&I council comprising employees from different departments and diverse backgrounds that advises its LGBTQ+ workplace inclusion as well as D&I practices throughout the organization.

 The Incorporating Inclusion regional forums reinforced these findings, providing firsthand awareness on how businesses can derive positive benefits through the collection of qualitative data.

 When The Ruby Slipper Restaurant Group in New Orleans wanted to create a consistent, positive experience for LGBTQ+ staff and customers, the CEO sought advice from her LGBTQ+ employees and customers and then used that feedback to improve business practices. At Charlotte-based law firm Moore & Van Allen, the business diversity committee convenes annually to examine current practices and discuss updates to its LGBTQ+ benefits and programs—and meets throughout the year to assess the effectiveness and impact of the programs—allowing the company to be proactive rather than reactive.
Bringing Change to the Workplace: COVID-19 and George Floyd’s Death

Businesses are adapting to the new reality of work post-COVID-19. For many employers, this has meant turning to hybrid work. Almost 70% of employers surveyed said they had or would institute a formal return to office policy by August 2022, in addition to remote work options. What have businesses undertaken to make their return-to-work plans more inclusive and suitable for LGBTQ+ employees?

For businesses that felt they already had an LGBTQ+ inclusive workplace environment, few changes have been made during COVID-19. One business respondent said that since its practices were comprehensive before 2020, it made no additions or rollbacks related to its LGBTQ+ employees during the pandemic.

For other employers, COVID-19 has given them time to reflect and rethink how to better support their LGBTQ+ employees. Since the COVID-19 pandemic began, Greenleaf Job Training Services has added to its LGBTQ+ inclusive programs and policies under the strong influence of its internal leadership. Additions include statements barring discrimination based on sexual orientation and gender identity, ongoing diversity training that covers sexual orientation and gender identity, and public advocacy for LGBTQ+ employees in the workplace.

Similarly, Dallas College responded to the COVID-19 pandemic and social justice issues by reflecting on its system offerings and resources. As a large-scale public college with seven campuses and thirteen satellite facilities, the organization has more than 6,000 full and part-time employees and over 125,000 students. Since 2020, Dallas College has enhanced its employee policies and student code of conduct provisions barring discrimination based on sexual orientation, gender identity, and gender expression.

With the death of George Floyd, research has shown that an increased number of business initiatives that were implemented after his death have translated into a more inclusive work environment for all employees. LGBTQ+ employees, in turn, have recognized the advances that their employers are making through their broader D&I activities. In one recent study, 79% of employees surveyed said that their employers prioritize LGBTQ+ inclusion within their organizations, and 72% indicated a greater likelihood of staying with their employer because of its inclusive approach.

Duke Energy is one company that was compelled to make adjustments to its D&I initiatives after George Floyd’s death. The company saw the need to provide opportunities for employees to have frank conversations about sensitive, sometimes emotionally charged topics in the workplace. After a series of Pathways to Inclusion discussions, Duke Energy believed that the conversation’s momentum needed to continue. So the Let’s Talk About It virtual event series was born, covering many D&I topics—from LGBTQ+ youth to how to be a savvy ally—that let employees share how they have been personally impacted by events and how those events have affected their work environment and culture. The company’s We Are One for LGBTQ+ Equality (WeR1) ERG has also promoted its LGBTQ+ ally training programs through the event series, which has led to a growing number of allies throughout the company.
Lessons Learned Since 2020

There are many learnings since 2020. One respondent said that having LGBTQ+ inclusive practices “truly works,” and its implementation has allowed their business to successfully recruit additional LGBTQ+ employees. Another respondent remarked that the company wasn’t aware of the level of support its staff had for LGBTQ+ rights and opportunities until it delved into serious discussions on the topics. Another business discovered that while its work environment is accepting and many of its employees are vocal allies, adding an LGBTQ+ executive to its team made an even greater impact.

Other businesses emphasized that their LGBTQ+ inclusive practices are continually a work in progress. One respondent stated that there is always something new to learn, like staying up to date on current language and terminology, and that inclusive practices need to be reassessed often. Another company mentioned that while significant progress has been made in its LGBTQ+ workplace inclusion, much more work remains to be done.

Diversity of thought and respect for others’ differences also drives better LGBTQ+ inclusive practices, said business respondents. One company emphasized that it is not just LGBTQ+ voices needed at the table and heard, but it is productive to incorporate different generations, ethnicities, and other viewpoints to represent the full spectrum of the community. Likewise, another business said that many LGBTQ+ inclusive practices are also applicable and beneficial to support employees from other historically disadvantaged and discriminated populations.

Participants at the Incorporating Inclusion regional forums echoed many of these sentiments. NoDa Brewing Company in North Carolina shared that as a new small business, it feared taking a public stance on political issues and initially encountered a negative reception from the LGBTQ+ community for its lack of action. NoDa leadership quickly realized that as a business that valued diversity, it did not want to be seen as an organization talking about support for LGBTQ+ issues but not actively taking a stand. Consequently, the business began taking a vocal stance on LGBTQ+ legislation.

Alternative Auto Care highlighted that respecting others’ differences also applies to business customers. Regardless of who customers are or what they look like, the female owner’s all-female staff does not make assumptions about people when they bring their car in for service. Members of the transgender community, who may be denied service or experience harassment when engaging with businesses because of their gender identity, are among her loyal customers.

“When you value diversity and have different voices in the room, it makes for a better organization.”

SMALL FOOD SERVICE COMPANY
Recommendations

Based on the findings, several themes emerged to help businesses enhance their LGBTQ+ inclusive practices.

Explore Numerous Sources When Developing or Growing LGBTQ+ Inclusive Practices

Companies can demonstrate a genuine commitment to LGBTQ+ workplace inclusion by developing solutions with input from multiple sources and credible stakeholders.

There is no one-size-fits-all approach to generate or boost LGBTQ+ inclusive practices, so gathering background from various sources will lead to a more comprehensive program. General internet searches; analyses of industry peers; obtaining information from LGBTQ+ organizations; consulting trusted LGBTQ+ advocates, allies, and ERGs; and feedback from employees can contribute insight to help produce ideas for a business’ LGBTQ+ inclusive practices.

External stakeholders are another valued source of information. Polling investors and customers about their expectations for a business’ LGBTQ+ inclusion can provide further feedback on the scope and direction of workplace practices. Establishing a budget and assessing the local context will also help frame the feasibility of activities.

If budgets allow, businesses can consider hiring external consultants or advisory LGBTQ+ organizations. Outside expertise can provide guidance and best practices, unburdening staff from the challenges of developing content and programs with which they may not be familiar.

Think Holistically about Data Collection and Program Measurement

A data-driven approach to monitoring and evaluating LGBTQ+ inclusive practices will drive progress, including data regarding recruitment, hiring, promotion, pay, and retention. Establishing and collecting relevant metrics at regular intervals enables businesses to create diversity goals and timelines for reaching them.

While quantitative data from surveys offer results that are easy to interpret and actionable, qualitative data from open-ended survey questions, town halls, ERG forums, interviews with key stakeholders, or similar methods should also be used to gain an in-depth understanding of more nuanced challenges and solutions.

While self-identification among LGBTQ+ employees can be beneficial for both businesses and their employees, businesses should work to allay any fears of negative ramifications, such as discrimination, harassment, or other untoward treatment in the workplace, by sharing these data. To that end, companies should have strong anti-discrimination and harassment policies in place, make certain that employees are aware of these practices and feel comfortable filing complaints if issues should arise, and have complaint review processes established to act swiftly—all prior to promoting self-ID.

Once firms possess the appropriate data on LGBTQ+ inclusive practices, they can use it to identify problems and prioritize areas for improvements. With this information, they can begin drafting goals for increasing diversity and decreasing discrimination. Accurately assessing the status of LGBTQ+ workplace inclusion, establishing specific goals, and creating a roadmap with milestones and accountability to drive change are key facets of this process.

Transparency is vital throughout programmatic monitoring and evaluation. Transparent LGBTQ+ related metrics allow stakeholders to hold senior leadership and managers accountable for outcomes and track progress toward meeting goals for LGBTQ+ inclusive practices. Regular communications to stakeholders regarding the collection and use of data may also put LGBTQ+ employees at ease and promote greater participation in self-ID.
Proactively Respond to Influential Societal Events

As businesses experienced with COVID-19 and the death of George Floyd, great societal shifts can occur without warning. Those businesses that were able to quickly pivot and respond to the needs of their employees, investors, and other stakeholders succeeded in maintaining better financial and social standing.

To quickly address LGBTQ+ related events that arise, companies should be nimble and able to rapidly demonstrate their support for LGBTQ+ inclusion and LGBTQ+ employees. For these purposes, it is ideal for businesses to have a crisis management plan.

Internally, businesses can benefit by reaching out to LGBTQ+ employees and communicating the supportive strategies they will take in the aftermath of an event. This can reassure employees and strengthen their allegiance to the company. Businesses’ messaging should recognize their LGBTQ+ employees, acknowledge how they are impacted, and provide an overview of how the business will respond—both internally and externally. Mediums for sharing these messages include email communications, intranet, and the LGBTQ+ ERG.

Evolving societal events may also require an accelerated reassessment of current LGBTQ+ inclusive practices to better align them with the changes that have occurred. Turning to an LGBTQ+ ERG, council of LGBTQ+ advocates and allies, or another trusted source that can provide quick recommendations for change and action are worthwhile.

External responses to LGBTQ+ issues can be equally important in signaling to stakeholders whether the business can authentically react and support their LGBTQ+ employees. Releasing a statement or participating in amicus briefs or rallies that align with the business’ mission and values are ways to demonstrate backing that resonate with internal and external stakeholders. Ultimately, it is valuable for businesses to follow through on their commitments with tangible actions and amplify their message.

Although significant societal events can expedite changes to LGBTQ+ inclusive workplace practices, trends can also evolve more slowly, which require diligent tracking so that businesses can respond in a timely manner. For example, some companies are using gender-neutral pronouns in employee handbooks and other materials. Some are encouraging employees to share their pronouns in email signatures and other communications. Such proactive assessment, as highlighted in the recommendations on data collection, can demonstrate a business’ commitment to LGBTQ+ workplace inclusion which, in turn, leads to business advantages like attracting and retaining LGBTQ+ candidates and employees.
Welcome Diverse Voices

In working to establish an LGBTQ+ friendly culture—which recognizes that while there are differences among employees, all employees need to be treated fairly and equally—companies should invite other diverse stakeholders into the discussion. These stakeholders can have different ethnicities, sexual orientations, job titles, job tenure, disabilities, ages, or anything else that sets them apart and allows them to provide a distinct viewpoint.

Without diversity of thought, the danger is that groupthink may occur. With groupthink, people of similar backgrounds and experiences may reach a consensus without critical reasoning or assessment of the consequences or alternatives. By adding various points of view by people with different backgrounds and experiences, groups can come to more thoughtful decisions with better outcomes.

While diverse voices can add to discussions on LGBTQ+ inclusive practices, business also need to incorporate these viewpoints. Therefore, groups must be mindful not to dismiss ideas based on their preconceived notions. Examples include disregarding the opinions of new employees because they have not worked long for the company or that of straight employees because their experiences are different from LGBTQ+ employees.

Celebrate Accomplishments and Special Occasions

Celebrating LGBTQ+ programmatic achievements among LGBTQ+ employees, ERGs, and allies can enhance employee satisfaction and employer pride as well as demonstrate a company’s commitment to a caring corporate culture. These stories can be communicated both internally through emails, newsletters, or the business intranet and posted externally on company websites or newswires to bolster employee engagement, recruitment, investor engagement, and customer loyalty.

Businesses can also incorporate internal and external acknowledgement of LGBTQ+ observance days, such as LGBTQ+ History Month and Pride Month, into their LGBTQ+ inclusive practices to raise awareness and inclusion throughout the year. Such occasions offer learning opportunities for all staff about their employer’s LGBTQ+ workplace efforts.
Summary

Building on the U.S. Chamber Foundation's 2019 report, this study's findings demonstrate that by using external sources that are well-recognized and knowledgeable about LGBTQ+ workplace issues, companies can bolster their efforts to develop and grow their LGBTQ+ workplace inclusion. Moreover, businesses are collecting more meaningful data to monitor and evaluate such activities. The cumulative results of these actions allow companies to meet the demands of their employees and other stakeholders regarding their LGBTQ+ inclusive practices as well as benefit businesses' bottom line.

The COVID-19 pandemic and George Floyd’s death dovetailed in the first half of 2020 and spurred renewed interest in workplace inclusion. As a result of these events, many firms have built on their existing practices to better accommodate LGBTQ+ employees’ needs and desires—as evident in the existing body of literature and through the breadth of data featured in this report. Such initiatives have augmented LGBTQ+ employee satisfaction with their employers and have made these businesses more attractive to prospective LGBTQ+ talent and others.

As mentioned, past studies have made the business case for LGBTQ+ workplace inclusion. Companies that adopt LGBTQ+ inclusive policies financially outperform their sector peers within five to ten years of policy adoption.8 Furthermore, a meta-analysis of research studies on findings related to the impact of LGBTQ+ inclusive policies shows that such policies are strongly linked to less discrimination and greater job commitment of LGBTQ+ employees in addition to improved health outcomes and increased job satisfaction.19

This study reaffirms that there are numerous business advantages to LGBTQ+ inclusion in the workplace. With dedicated investment in LGBTQ+ inclusive practices, businesses will continue to effectively recruit talent, successfully retain employees, and financially thrive.
Endnotes

1 For the purposes of this research, “LGBTQ+ inclusive practices” are defined as workplace policies or activities to encourage LGBTQ+ employee recruitment, retention, and leadership development.


15 Employers must report demographic data to a mandatory annual data collection that requires all private sector employers with 100 or more employees to submit demographic workforce data.


17 Deloitte, “LGBT+ Inclusion at Work: A Global Outlook.”

18 John N. Roberts and Cristian A. Landa, “Return on Equality, the Real ROE: The Shareholder Case for LGBT Workplace Equality.”


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