

In partnership with



EXPERIENCES OF THE LAVENDER CEILING:

Progress and continued challenges facing out LGBTQ+ leaders at work





Visibility is vital, but systemic change is needed for representative C suites The Out & Equal 2023 Executive Forum¹ consisted of top LGBTQ+ and ally leaders from major private sector employers and government agencies. The forum provided a unique research lab, which enabled the collection of insights, experiences, and aspirations surrounding attendees' professional lives and career trajectories.

Corporate America has invested deeply in concrete policies, benefits, and programs that foster workplaces of belonging where everyone-including the LGBTQ+ community-can thrive.

Presently, among the Fortune 500, organizations with LGBTQ+-inclusive non-discrimination policies and benefits lead the way: At the same time, there are only four openly LGBTQ+ CEOs leading Fortune 500 companies—none of whom are openly transgender or bisexual.³

> 93% include sexual orientation protections

91%

include gender identity protections (with more than 68% extending protections globally) **67%**

offer trans-inclusive health coverage²

Having the right Diversity, Equity, Inclusion, and Belonging (DEIB) policies and programs in place is necessary for change, but not sufficient for achieving leadership representation, retention, and overall engagement across the workforce, which are all goals of DEIB efforts.

In this groundbreaking survey and interviews of 132 leaders—83% of whom identify as LGBTQ+ and 17% as allies—we find that a staggering 94% agreed that visibility of LGBTQ+ leaders is a non-negotiable responsibility to themselves and others.

However, the participants' responses underscored a key qualifier to this finding: The visibility of individual out-at-work leaders alone is not a panacea for persistent biases and career blocks uniquely experienced by LGBTQ+ leaders.

This group of LGBTQ+ and ally leaders paints a picture of a "lavender ceiling," similar to the "glass ceiling," faced by women, a calcified mix of overt and subtle bias, limiting stereotypes, and structural inequalities, all resulting in career blockages.

Only by illuminating these pockets of resistance can we identify the paths toward sustained change and representative, innovative leadership. This research uncovers themes and narratives that reflect not only the challenges faced, but also the resilience and ingenuity that define LGBTQ+ professionals in their quest to ascend and flourish. From leadership aspirations and mentorship program opportunities to the vibrant tapestry of employee resource groups and the broader spectrum of professional growth, this research bridges the gap between aspirations and realities.

"Being LGBTQ+ is a core part of my life and distinguishes me in the company. I have never worked a day of my career in the closet and will not."⁴

Coming Out and Career Advancement: Prior Research and Current Data

Research indicates that being out at work for LGBTQ+ individuals can bring both benefits and challenges. Being open about one's identity can foster a sense of authenticity, positively affecting job satisfaction and mental health (Ragins & Cornwell, 2001)⁵. Visible LGBTQ+ role models and diverse perspectives can enhance creativity and innovation in teams (Woods et al., 2017)⁶.

However, challenges such as potential bias, discrimination, and fear of negative repercussions persist (Sears & Mallory, 2011).⁷ A study by Human Rights Campaign (2018)⁸ found that workplace climates that are openly LGBTQ+ supportive lead to higher engagement and retention overall. Equally important, climates in which LGBTQ+ people are either pressured into the closet or face negative consequences once out don't just hold LGBTQ+ talent back; they inhibit retention and innovation by creating environments where very few people's talents are fully leveraged. Investing in out LGBTQ+ leadership is investing in the organization overall.

"When employees have to exert energy at work to be something they're not, we're unable to help them meet their FULL potential and they could be putting that energy into innovation at work."



The Power of Being Out

The Power of Being Out

LGBTQ+ People are Not Waiting to Be at the Top to Come Out: The Youngest Workers are Most Likely to Be Out Sooner

- Of those surveyed, many LGBTQ+ individuals came out early in their careers, with 54% becoming most open about their identities while they were individual contributors, and another 25% becoming open once they reached managerial levels.
- 65% of millennials came out while they were individual contributors.
- In stark contrast, no Baby Boomer respondents (those born between 1946 and 1964) were open as individual contributors. Complementary qualitative interviews surfaced fears among this group that being out was simply unsafe until achieving a higher position and professional status.

Being Out and Visible Supports Positive Personal and Professional Outcomes

- LGBTQ+ individuals surveyed were also clear on the benefits they receive personally from being fully open at work—from improved relationships with colleagues and increased productivity to maximizing their true potential. Non-LGBTQ+ respondents also noted these benefits, flagging the value of being open at work for LGBTQ+ individuals and the organization.
- Nearly nine-in-ten (89%) LGBTQ+ respondents reported improved health and wellness after coming out in the workplace, with 85% saying their work life also improved.

VISIBILITY AND OPENNESS at work lead to positive health outcomes and stronger relationships.



Being Authentic Strengthens Some Workplace Relationships, But Not All

A majority of individuals openly identifying as LGBTQ+ reported that coming out at work does not negatively impact workplace relationships.

- Half of LGBTQ+ respondents experienced better relationships with leaders after coming out, while 57% reported better relationships with coworkers.
- Relationships with direct reports were split evenly—50% of LGBTQ+ respondents reported no change, 48% reported better relationships, with only 2% reporting worse relationships with direct reports.

Transgender professionals surveyed reported more changes to their relationships than cisgender LGBQ+ respondents.

- In their relationships with leaders, after coming out, transgender respondents were more likely (71%) to report better relationships with leaders than cis LGBQ+ respondents (51%). However, on the other side of the scale, they were more likely to report relationships with leaders worsening (15% vs. 7%) than their cis peers.
- In their relationships with coworkers, both cis and trans LGBTQ+ respondents reported improvements in their relationships with coworkers at the same rate. Still, trans LGBTQ+ respondents were much more likely than cisgender respondents to report worse relationships with coworkers after coming out at work (14% vs. 4%).

Overall, however, among the respondents, being out at work can also positively affect career mobility as 45% of all LGBTQ+ respondents reported that being out at work resulted in greater access to mentorship opportunities and resources for career growth.

Despite Progress, the Lavender Ceiling Remains

Even among those respondents reporting positive outcomes of being out and visible, they also report experiences of hitting a lavender ceiling, a lack of visible leadership, and other persistent challenges getting in the way of their advancement.

• Nearly half of all survey respondents (49%) said that their company's C-suite is not representative of the LGBTQ+ community at all.

Many leaders said they want to "change the face" of what a senior executive looks like but continue to face barriers to their goal. They are expected to "look" a certain way or regularly socialize with executive leadership to gain visibility and career mobility.

Some said they lose out on opportunities when excluded from critical pre-meetings, while others noted that top leadership often treat them less favorably than their straight peers.

"I don't believe I can break the glass ceiling as an Asian LGBT+ woman working in a very white, straight male-dominated workplace in the financial industry."



Double Standards: Higher Expectations and Scrutiny but Without the Rewards

These leaders are often the only LGBTQ+ person in the room, which magnifies the need to gain trust and "fit in." This has led many LGBTQ+ leaders to internalize feelings about their capabilities and the constant pressure "to do more and be more" than their peers. Even in their leadership roles, these executives feel less comfortable when management—across all levels—does not affirm the community.

- More than four-in-ten (43%) of the LGBTQ+ individuals surveyed reported working harder to succeed because of their gender identity or sexual orientation—if not both. Additionally, both non-LGBTQ+ and transgender respondents were more likely to list gender identity/expression as the primary source of bias experienced in the workplace.
- LGBTQ+ respondents also faced increased expectations, with over half (53%) saying that they were expected to support tasks related to DEIB. LGBTQ+ leaders were also nearly twice as likely to face the expectation they speak on behalf of everyone who holds one or more of their identities.
- Cisgender LGBQ+ female respondents were also more likely to have to work harder to succeed, with 30% reporting doing so to a somewhat great extent, compared to 14% of cisgender LGBQ+ male respondents. They were also nearly three times as likely (58%) as cis male respondents (20%) to report the need to deliver results more than what is expected of their peers.

"Not hiding a part of my identity makes me a better coworker, leader, and worker."



All Headwinds Are Not Experienced the Same Way Across the LGBTQ+ Community

- When broken down by race, nearly four-in-ten (38%) of white respondents reported their sexual orientation as the primary source of bias they experience.
- Whereas roughly four-in-ten (41%) of non-white LGBTQ+ respondents said race/ethnicity was the primary source of bias they've faced, followed by sexual orientation and gender identity both at 15% each.

"I grew up in an upper-middle-class family and never had to want for anything, which made an easy/privileged path to college and a great job, etcetera. Coming out as LGBTQ+ was one of the first times I had to overcome a societal obstacle."

The Power of Being Out

Overt Discrimination Reported as More Pronounced Among Non-White Respondents

- White and non-white respondents self-reported experiencing subtle bias at similar rates, (68% of white respondents and 64% of non-white respondents).
- However, non-white respondents were more likely to have experienced overt discrimination (22% to 15%).

Gender Matters

- 43% of all transgender respondents reported personally experiencing discrimination due to their gender identity or expression.
- Over seven-in-ten (71%) of transgender respondents noted gender identity and expression as the primary source of bias they've experienced in the workplace, compared to 15% of cisgender respondents.
- Over six-in-ten (65%) of cisgender LGBQ+ respondents reported none or very little personal experience with discrimination due to their gender identity or expression.

Bias and Privilege Can Occur Together

• When asked to identify the primary source of any unearned advantages they've personally experienced in the workplace, over half (51%) of LGBTQ+ white respondents reported race/ethnicity as a source.

Mentorship and Sponsors Can Change Everything— For Both Mentors and Mentees

The survey revealed that mentorship and sponsorship programs continue to be the most important, supportive, and needed way to bring up emerging LGBTQ+ leaders through the ranks of an organization.

- Over six-in-ten respondents work in organizations with formal mentorship programs, with 60% of respondents engaging in some current form of mentorship, while another 19% reported having mentors or sponsors in the past.
- LGBTQ+ respondents noted that LGBTQ+ mentors have positively impacted their careers, with 42% saying these mentors have been instrumental to their career growth to a moderate or significant degree.
- The mentorship of allies is also crucial: over half of LGBTQ+ leaders reported that non-LGBTQ+ mentors have also been instrumental to their career growth to a moderate or significant degree.

However, significant challenges remain in the way that mentorship programs are structured to support the specific needs of LGBTQ+ leaders.

• Only 10% of respondents reported that their organizations have an LGBTQ+-specific mentorship program.

The benefits of mentorship extend to mentors as well. More than half of the survey respondents said that they have acted as a mentor to LGBTQ+ employees.

- 80% reported that mentoring has increased their confidence and empowerment at work, contributing to better performance all around.
- Despite the work and skills development that goes into being a mentor, there are still gaps in the structural incentivization of mentoring. Over half of the acting mentors in our survey (51%) reported that they've seen no impact on their promotions and salary increases.

A majority of respondents have benefited from identity-specific programs and resources.

• Three-in-four (67%) respondents stated that identity-based resource groups/mentorship/recruitment programs were very helpful or helpful in their careers.

Employee Resource Groups: Vital, but Belonging and Sense of Community Varies

- Overall, nine-in-ten LGBTQ+ respondents feel most in community with LGBTQ+ resource groups, compared to only 15% of non-LGBTQ+ respondents.
- Over half of LGBTQ+ respondents are or have been members of their Employee Resource Group leadership, and 29% are active group members.

However, feelings of belonging and inclusion in LGBTQ+ ERGs vary across race.

- Experiences with LGBTQ+ resource groups differ. Nine-in-ten white LGBTQ+ respondents felt most in community with the LGBTQ+ resource group, compared to 52% of non-white LGBTQ+ respondents.
- White respondents were more likely to find identity-based groups very helpful (41%) compared to non-white respondents (25%).
- Non-white respondents were also more likely to find resource groups to be neither helpful nor unhelpful than white respondents (28% vs. 18%).

Attracting and Retaining LGBTQ+ Talent: Policies and Benefits are Necessary but Not Sufficient

A company's inclusive policies and benefits and policies are key indicators for LGBTQ+ employees and leaders that they will be able to be authentically themselves at work.

• When assessing potential employers, 95% of LGBTQ+ respondents prioritize organizations with inclusive benefits and workplace policies, followed by the presence of LGBTQ+ resource groups (91%), and public support for LGBTQ+ community and causes (82%).

While these are critical door-openers for LGBTQ+ talent, once settled into their roles, LGBTQ+ leaders experience key gaps between the intention and daily culture of DEIB.

- Just one-in-three (31%) of respondents said their organization often or always makes clear that LGBTQ+ inclusion is part of their business strategy for success. In comparison, another one-in-five (21%) say leaders rarely make this clear.
- 15% report being dissatisfied with their employer's commitment to DEIB, with 10% dissatisfied by their employer's efforts to foster a culture of belonging at work.
- 34% of respondents expressed dissatisfaction with their organization's public support for LGBTQ+ population and causes.

Failing to bridge the policy/culture divide costs companies talent.

• Nearly one-in-four (23%) of LGBTQ+ respondents have changed companies at some point in their careers to be more open about their identity at work.

LGBTQ+ Leadership: Individual Trailblazers are Not Enough, Companies Need to Invest

The message from LGBTQ+ talent is clear: they want their organizations' senior ranks to be more inclusive and reflective of the diverse LGBTQ+ community.

- Over seven-in-ten (71%) said companies should increase their representation in the C-suite.
- Over half (54%) want to see an increase in representation and exposure through mentorship and sponsorship.

Pipelines are Not Nurtured by Good Intention: LGBTQ+ Leaders Need More Action

Despite the presence of DEIB programs aimed at the LGBTQ+ community, two major gaps are evident in the survey data with:

- 40% reporting dissatisfaction with LGBTQ+ talent recruitment.
- Over half (51%) reporting dissatisfaction with the promotion of LGBTQ+ leaders.

Bias Thrives in Ambiguity About Leadership Criteria

- Over half (53%) request clear criteria for leadership roles and help for talent in the pipeline to develop against these criteria.
- Four-in-ten (39%) request increased participation in leadership coaching and development programs.

"We have a responsibility to younger LGBTQ+ generations to be role models for the next generation, to pave the way—which didn't exist for me, to pave the path for the new generation, so others can see someone who looks like them."



The Path Forward: Recommendations for Change

Analyzing the experiences, observations, and ideas for change from the survey respondents allows us to create a roadmap to a more inclusive and representative future of leadership. By implementing these strategies, organizations can proactively cultivate environments that effectively leverage diversity, promote career advancement, and drive collective progress.

10 STEPS TO MORE INCLUSIVE LEADERSHIP

- - Invest In and Promote Out Leadership:

When individuals know with certainty that leaders who share their identities are in the highest echelons of an organization, they understand that too can be their reality. In fact, 62% of the respondents stated that LGBTQ+ representation in the C-suite would help advance their careers. Make Leadership Advancement Criteria Transparent and Accessible: Subjective, opaque criteria are fertile grounds for bias and homogeneity in leadership circles. Ensuring that your organization's leadership criteria are transparent and concrete is essential to building bridges to more diverse, innovative talent rising up the ranks. Beyond just ascending leaders, having the entire workforce understand those qualities that your organization values the most strengthens the entire system.

- 3 Ensure Performance Reviews are Objective to the Fullest Degree Possible: Hold people leaders accountable in their annual appraisals of talent, spotting bias red flags in highly subjective descriptions such as "lacking executive presence," and "ill fit," among others. The implicit bias that holds up the lavender ceiling can be broken by objective, concrete, and evenly applied performance criteria.
 - Reward DEIB Success and Hold All People Leaders Accountable: Center your DEIB goals in business enhancement, make them transparent, offer tactics to accomplish them, and hold people leaders at all levels accountable for these goals.

- 5 Implement and Expand Tailored Mentorship Programs: Mentors need not be LGBTQ+, but a specific platform for LGBTQ+ leaders to receive mentorship opportunities is a must. Efforts should address the specific needs of transgender and nonbinary individuals to ensure equitable support.
- Hold ERGs Accountable for Cultivating Belonging within the Community: No identity is monolithic, and yet, too many ERGs end up subsuming the diversity across the identity group they represent at the cost of, for example, people of color, feeling fully included in their LGBTQ+ ERGs. Ensure that ERGs report up to a DEIB professional and that intersectional programming is consistent in the group's activities and mission statements. Make ERGs partners in the development of LGBTQ+ mentorship programs and incorporate them in feedback loops to measure success and continued areas of improvement.

Implement and/or Enhance Self-ID

Programs: Major employers have and can implement optional self-identification through anonymous employee surveys and/or human resource information systems (HRIS) to understand the career tracks, engagement levels, and overall benchmarking of investments in diverse talent. Self-ID is essential to staying on top of LGBTQ+ leadership advancement.

Invest in Inclusive Benefits and Policies, Re-evaluate as Needs Change:

Organizations can and should implement inclusive benefits and policies aimed at equity for LGBTQ+ individuals. Ongoing evaluation of the community's needs is essential as legal protections and healthcare access for the LGBTQ+ community is evolving.

Ensure Alignment in Public Perspective on LGBTQ+ Equality with Internal Stakeholders: The LGBTQ+ community endured a staggering 550+ anti-LGBTQ+ bills introduced this 2023 state legislative season. Your current and prospective employees are not only looking to you to "walk the walk," but need you to evolve and boost support and advocacy efforts. As the rate of passage of these bills increases, options for where to live and work become exponentially more complicated, if not reduced.

Cultivate Continuous Evaluation:

Organizations should continually assess their progress in fostering LGBTQ+ inclusion. Use surveys, feedback loops, and ongoing conversations to refine policies, initiatives, and practices.

- ¹ The annual <u>Out & Equal Executive Forum</u> (ExFo) is a one-of-a-kind gathering, bringing together LGBTQ+ and ally senior executives, Next Gen leaders, and DEIB practitioners from major global businesses and federal agencies for an immersive experience in which participants gain a deep understanding of cutting-edge practices and knowledge to address the most pressing challenges and opportunities in LGBTQ+ workforce equity, inclusion, and belonging.
- ² Human Rights Campaign. <u>"Corporate Equality Index 2022."</u> Human Rights Campaign, 2022.
- ³ Mcglauflin, Paige. "<u>4 Fortune 500 Companies Are Led by openly LGBTQ CEOs. Here's What They've Said About Their Experience in corporate America".</u>
- ⁴All quotes are unique from survey and interview respondents. We have made the tactical decision to not attribute by demographics.
- ⁵ B. R. Ragins and J. M. Cornwell, "Pink triangles: Antecedents and consequences of perceived workplace discrimination against gay and lesbian employees" in *Journal of Applied Psychology*, (2001), 86(6), 1244–1261.
- ⁶ D. S. Woods, M. Ferguson, and E. F. McDonough, "Building bridges and tearing down walls: Enhancing workplace inclusion through LGBTQ diversity" in Handbook of Research on Workforce Diversity in a Global Society, (IGI Global, 2017), 151-167.
- ⁷ B. Sears, and C. Mallory, "Documented Evidence of Employment Discrimination & Its Effects on LGBT People," (Center for American Progress, 2011).
- ⁸ Human Rights Foundation. <u>"A Workplace Divided: Understanding the Climate for LGBTQ Workers Nationwide."</u> Human Rights Campaign, 2018.