

Coming Out Together: Creating CEO Allyship for LGBTQ+ Inclusion

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“I firmly believe that the only way we will achieve equality in the world is through the power of business.”

— Todd Sears, Founder and CEO, Out Leadership

The Illusion of Inclusion

Almost a year ago, on an LGBTQ+ diversity panel at the World Economic Forum, in Davos, Switzerland, our Egon Zehnder Chairwoman, Jill Ader, called attention to what she had heard her peers and academic journals refer to as the “illusion of inclusion” which has held back the progress on LGBTQ+ equality by not implementing the changes really necessary to support and integrate diversity initiatives. “It’s a good concept for us all to hold on to and to work against,” she advised. Indeed, recent research by our new partner, Out Leadership, shows that while many companies have been working hard to put LGBTQ+ policies into effect for the past several years, there is ample evidence that much more needs to be done. Only 33% of LGBTQ+ people are out at work, and the majority of them are still concerned about making others feel uncomfortable. Moreover, 78% of LGBTQ+ workers (including many who are out) feel that “covering behavior,” or hiding and denying their true identity, is necessary for their professional security, and 68% of those who have engaged in covering behavior report that it hurts their productivity.

What is needed are more demonstrative organizational commitments to collective understanding and change, and CEOs have the visibility and capacity required to unlock these pathways. Tapping into that leadership now is essential to making the progress that policies alone cannot deliver. It is willing and emboldened leaders who, by their examples and their support, can usher in truly inclusive environments where, instead of feeling the need to hide, people will be invited to share their stories and embrace their differences—creating deeply humanistic spaces where people truly feel safe to work as their whole selves.

What could be so much better for individuals also could be great for companies, because crystallizing LGBTQ+ equality in the corporate world will diminish the adverse business effects caused by ineffective inclusivity. The potential of large pools of LGBTQ+ talent is not fully realized because so many people feel uncomfortable being themselves at work and expend so much effort and energy trying to act like someone else—someone they believe they need to be to remain safe in the workplace. This is not only

detrimental to both the mental and physical health of the individuals, but also greatly limits the many creative contributions they can bring to the business. Brands suffer as well. It is widely acknowledged that inclusive companies supportive of LGBTQ+ people show high levels of team engagement and innovation alongside increased revenues, lower costs, and more growth in their customer base. LGBTQ+ people and their many consumer allies track company positions and look to buy from those most aligned with their values, and they advise their friends to do the same. According to Out Leadership's data, the global purchasing power of the LGBTQ+ market is estimated at \$5.2 trillion. In short, increased attention to LGBTQ+ equality is essential for business growth and prosperity.

Breaking the Silence

"There are many, many people in the world who are dealing with the same thing [being in the closet]. If they don't hear leaders talk about that, then maybe they feel a little bit of pressure to keep that internal and keep that bottled up. . . . We have to step up, and we have to go to bat for our employees."

— Jim Fitterling, Chairman and CEO of Dow Chemical
(Egon Zehnder 2020 Global Board Diversity Tracker)

For over 20 years, Todd Sears, founder and CEO of Out Leadership, has been a resolute force in activating greater participation from business leaders. "I have been told so many times that I am the first gay person that many of these CEOs have ever gotten to know," Sears shared in an interview this summer for Salesforce's #MakeChange initiative. In his experience, most of these CEOs presume that their gay colleagues and employees know they are supportive. "I say, 'How do they know that? Are they mind readers? Have you told them?'" And nine times out of ten, they have not," Sears continued.

Of course, fear abounds in unknown territory. We hear from many CEOs who really struggle to have those necessary conversations. They get confused by the terminology and feel embarrassed that they don't know enough. As a result, many elect to say nothing or do too little. And among LGBTQ+ people, as in most minority communities, an assumption of negative intent dominates: "If you don't tell us something positive, then we will unfortunately assume something negative," Sears explained. Conversely, when employees see company leaders express support for LGBTQ+ rights, refuse to tolerate discrimination, and hold that position when challenged, they believe that their employer will support them when they choose to be open about their identity.

Inga Beale, the former CEO of Lloyd's of London, has witnessed firsthand the transformative effects of embracing LGBTQ+ diversity from the top down. In Egon Zehnder's [2020 Global Board Diversity Tracker](#), Beale shared that talking openly about being bisexual led her to speak out about the [broader need for LGBTQ+ inclusion](#). "It was very much about starting the conversation in an unthreatening way, but in a way that said we need to take action on this. . . . [I]t really made a difference," she said. "This has to become a key part of the modernization of the market."

Working with CEOs regularly, we have seen that you can encourage leaders to shed the unnecessary barriers that have built up over the years. What is called for are curious, principled leaders who are highly self-aware and willing to show their vulnerability and tell their personal stories. By connecting on a shared human and empathetic level with their LGBTQ+ colleagues—by speaking up, listening, and staying open to learning and trying—CEOs have the means to unlock understanding and compassion, and it is within their grasp to help enact real and lasting change, and ultimately unleash the full potential of their employees.

Allying-Up

Members of the LGBTQ+ community often explain how they have to keep coming out day after day, constantly breaking the societal norms that keep assuming they are

other than who they are. Of course, they dream of a day when this becomes unnecessary—when the “illusion of inclusion” has been replaced by reality. The time is ripe and opportune for LGBTQ+ colleagues, and there are other benefits for the organization. According to further research conducted by Out Leadership, allying on behalf of LGBTQ+ populations sends an important signal of authentic inclusivity that resonates with women and people of color as well. “What companies and leaders do for an invisible minority like the LGBTQ+ population sends a message to the broader population and visible minorities within the organization,” Sears explained. “Which means forward-thinking CEOs can and should expect broad impact from visible allyship with the LGBTQ+ community.”

CEO support, therefore, has the power to drive organizations to both improve the internal culture and catalyze systemic change beyond. This is the essence of Out Leadership’s call for allying-up: “consistent, collaborative action that compounds over time.”

The rewards of allying with the LGBTQ+ cause are great and many. In fact, increasingly, leaders seem to have more to lose—loyal customers, top talent, and potentially great leaders in their pipelines—by staying apart. The data shows that being an LGBTQ+ ally is a win-win for businesses. “More importantly,” as Ader stated in a recent interview, “it’s about unleashing the power of humanity and believing it’s a birthright to be who we are meant to be.”

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