McKinsey & Company

How companies can make meaningful progress for LGBTQ+ employees

Despite visible signs of progress, workplace challenges persist for members of the LGBTQ+ community. Here's what companies can do to help their LGBTQ+ employees bring their authentic selves to work.



In this episode of the *McKinsey Podcast*, Diane Brady speaks with McKinsey senior partner Diana Ellsworth and Maital Guttman, senior manager of diversity and inclusion, about the unique challenges that members of the LGBTQ+ community face in the workplace. An edited transcript of their conversation follows.

Diane Brady: Hello, and welcome to the *McKinsey* Podcast, I'm Diane Brady. This year marks the 50th anniversary of the first Pride March in New York City, where a historic police raid at the Stonewall Inn sparked riots a year earlier. A lot has changed for people in the LGBTQ+ community. The US Supreme Court has upheld the right to marry a same-sex partner and, most recently, to be protected against discrimination at work.¹ But courts don't create an inclusive work culture, companies do. More important, people do. And on that front, the McKinsey Quarterly has just published a global study about the unique challenges that LGBTQ+ employees still face. I'm joined by two colleagues who helped to lead this global study. Diana Ellsworth is a partner in the Atlanta office, where Maital Guttman is a senior manager of Diversity and Inclusion. Diana and Maital, welcome. Diana, tell us a little more about the study.

Diana Ellsworth: Thanks, Diane. As you mentioned, we've seen a lot of movement in the US and around the world in recent years related to the rights of the LGBTQ+ community. A lot of steps forward, in some cases some steps backward—but we know that this community is underrepresented still in organizations. And particularly in leadership levels of organizations.

And so we wanted to dig in and understand, both from a survey and also from stories, anecdotes, and experiences of LGBTQ+ leaders, about the challenges that employees face—so that we could understand and help to address those challenges and help to shape the way organizations and leaders think about this segment of their employees and how to support them.

Diane Brady: Maital, what stood out for you? I mean, one thing that's interesting is not everybody necessarily comes out at work, do they?

Maital Guttman: In fact, we found that only about one in four LGBTQ+ of our respondents are not broadly out at work. Even though there is more visibility, more conversation, and more and more people identifying as LGBTQ+, we're seeing that in the workplace— especially for younger colleagues, junior colleagues, women, and people outside of the US and Europe— that they are less likely to be out at work.

Diane Brady: It's interesting, because the younger generation, I would've thought, would be more open about that. Is that just, to some extent, your place on the ladder?

Maital Guttman: We think so. That's part of what it is when you are joining a workplace, you're still trying to navigate—even if they have all the right policies in place—you're still trying to navigate how you bring your authentic self to work.

And so you look around at senior leadership. You look around at your managers. You look for the visible cues, in your office or with your clients, about how much you can be out and how open.

And unfortunately, what we found is that people are still too often the "only." They're the only LGBTQ+ person on their team or at their clients. And they are still more likely to experience microaggressions. They're still more likely to hear derogatory remarks or have to correct people's assumptions about their personal lives.

The LGBTQ+ experience in the workplace

Diane Brady: Diana, tell me a little more about microaggressions. What exactly does that tend to look like?

¹ Bostock v. Clayton County, Georgia, 590 U.S. (2020); "Brief of 206 businesses as amici curiae in support of the employees," Supreme Court, July 3, 2019, Numbers 17–1618, 17–1623, 18–107, supremecourt.gov.

"Unfortunately, what we found is that people are still too often the 'only."

-Maital Guttman

Diana Ellsworth: It can look a variety of different ways. Inherent in the notion of the microaggression, these aren't the egregious, flagrant sort of acts of discrimination that certainly exist as well. But these are the small pieces that add up over time. A lot of that can do with making assumptions about somebody's personal life outside of work.

It can be around people feeling like they need to back up what they say even more, to be taken as credibly as someone else would be. And these small microaggressions impact somebody's experience, as they pile up one on top of another.

Diane Brady: So let me go to the fact that women are less likely to come out, and to speak with both of you about that. Diana, I'm going to go to you first. Tell me about your own experience in the workplace, and were you reluctant yourself to talk? Sexual orientation is not something most of us feel like we need to disclose; it's optional.

Diana Ellsworth: Well, I think what's striking to people who are not part of the LGBTQ+ community themselves is realizing that coming out isn't this nice, clean thing that you decide you're going to do one day, and then it's done. It's actually a big part of your daily or your weekly experience. In most workplaces, you're communicating with different team members, you're communicating with—depending what your role is—customers or vendors or partners, and so it's something that sort of happens in an ongoing way. You know, in our research, we found that nearly

half of our respondents said that they come out at work at least once a week. And, one in ten said they do it on a daily basis.

Diane Brady: So when somebody asks who your husband is, you have to correct them. When you're talking to a client, is that the incidents where these things come up?

Diana Ellsworth: Exactly. And so that's where, when I think about it for myself, it just made such a big difference to be out, and out broadly at work. And I think it's on two different levels. One, it just takes out some of that effort and background stress of filtering, right? Which is what you inherently have to do if you're not out. Because for people who are straight, they don't have to come out—but they can casually mention who they went to a movie with or who lives with them in a way that they don't think about as coming out as straight, but that's exactly what it is. And so, for me, once I was out and could openly talk about who I was dating or who became my wife, it just changed the dynamic.

It took out that filter and background stress. And on the positive side, it just created a different level of connection with people, right? I was suddenly being a much fuller, more authentic, more open version of myself. Which just contributed to much deeper relationships in the workplace.

Diane Brady: Were you senior in your career or fairly junior?

Diana Ellsworth: I've been at McKinsey over ten years now, and I was out when I joined McKinsey. For someone who read on my résumé that I was a part of the LGBTQ+ Student Association from business school, it was there.

But then again, if I think about it, few people read my résumé, right? So it was much a matter of conversation after conversation, day after day, week after week, and in some cases, year after year. It was a trickling out from the time I joined.

Diane Brady: Maital, I'd love to hear about your story and also the fact that you handle diversity and inclusion, and as Diana said, you can look on a résumé and see somebody's affiliation, for example. But it's not something that jumps out at you; it's not something you can necessarily recruit for. So tell me a little bit more about both your own experiences and what you've noticed as you talk about this with colleagues—and with clients as well.

Maital Guttman: It's such an interesting point, because there's coming out in the workplace, there's coming out to your family, there's even coming out to yourself. I like that it's an active verb, because it is a process. And so, for some of our folks, they might not yet be out yet to their families.

But they want to be out at work. Or vice versa. So I think it is important to say, "You don't have to come out, but we want to create an environment where if you are out, if you do want to be out, that you can." For me, my parents found out that I was queer when I was 14. And I remember seeing the first time I ever saw my dad cry. And they would identify as liberal; my dad's a rabbi in the South, but he has gay friends. Even though they would identify as liberal, it was different when it was their own child. And what I've come to understand is that what felt different for them was they were almost mourning what they thought my life would be like.

And they were nervous that American society and workplaces would not be welcoming, and so my life would be much harder than what they hoped it

would be. What's been amazing is their journey of also coming out and being comfortable—seeing how they're coming out as parents of an LGBTQ+ child and also then as my dad became a big advocate. He officiated our wedding several years ago. And a huge part of that, I think, has been that there's been tremendous progress in the US in the past couple of decades—and seeing how I married, had a baby; I'm pregnant with our second one.

Diane Brady: Congratulations.

Maital Guttman: Thank you, thank you. And in a workplace, in places like McKinsey—McKinsey is not the only place; it's almost become table stakes for many of the large Fortune 500 companies that you need to be inclusive and that they are celebrating their LGBTQ+ folks. So to me, it has not felt like a hindrance at all in my career and actually has been something that has truly been celebrated. I think it's an incredibly exciting time.

Now, there's a lot more work to be done, but seeing how you can be an out professional and that it is something that is celebrated by companies—it's not something that we would've thought would've been true 20 years ago.

Issues that meet at the intersection

Diane Brady: Well, and it's a good point, Diana, that the zeitgeist is changing. We have the pandemic, Black Lives Matter, the Supreme Court decision—how do you think that those events affect LGBTO+ issues?

Diana Ellsworth: This is just such a complicated time we're living in right now. I think one thing that stands out is this notion of different aspects of people's identity and certainly intersectionality. We're living in this world now, this moment, particularly in the US but even globally, where, here we are in June, which is Pride Month, and yet here we are in the midst of a real reckoning on racial equity. And this idea that these communities aren't separate from one another: they intersect, and they're members

of multiple underrepresented groups who face increased discrimination or increased disadvantage because of that. And I think this is just a moment where we're acutely aware of how those different pieces come together.

Diane Brady: And I think about the importance of having allies. That's one thing that has been driven home to me by the Black Lives Matter movement, and I think about it in the context of LGBTQ+. I want to get to some of the voices. One of the great things about this study to me is all the stories. It's very much the stories and the voices of the people and the experiences in the workplace. It does drive home that good policies and protections aren't enough.

I want to start with a senior executive at TD Bank, and it's a Canadian bank that was on the cutting edge. Being a Canadian, I remember in the early '90s, they came out with policies around same-sex marriage. Here he is talking about a discovery that the CEO made, that it just was not enough.

TD Bank executive: TD was one of the first major banks in Canada that offered same-sex benefits in 1994 to our employees. At the time, we had about 50,000 employees in the bank. When I asked asked HR, "What's the take-up rate?," it was 90. It was abysmal. Ninety, because people thought Big Brother was watching them.

Diane Brady: What's that? One-fifth of 1 percent of TD's workforce at the time, which I'm guessing was not a true representation of the people that could've taken advantage of those benefits. Diana, what was the CEO doing wrong? And more important, perhaps, what did he start doing right?

Diana Ellsworth: I think that's great, with the question, "What did he start doing right?," because I think the reality is he probably, in his core, was accepting and embracing to begin with.

And what I don't think he was doing, or what it sounds like he wasn't doing, was demonstrating that in a visible, authentic way that set the tone for the organization. And so there are a lot of reasons why people are hesitant, and they are looking for those signs that say, "This is a safe space, a supportive space, an inclusive space." And that sign does need to come from the top. It's not sufficient to just come from the top, but it is critical that it does come from the top and that people do know that discrimination, a lack of respect, won't be tolerated, and in fact, the opposite is required and encouraged.

Diane Brady: Maital, let's pretend I'm a CEO, and I come to you. What advice do you have for me? I've sent out the message that this is important. What else?

"People look for a safe, supportive, and inclusive space. It's critical that it comes from the top."

-Diana Ellsworth

Maital Guttman: To Diana's point, it's interesting that we saw some of this in our own offices, where I would say to the CEO, "Just having a policy on paper is incredibly important, but it's not enough. You need to role-model what inclusion looks like. That's showing up, that's being visible, and that's a public display, both internally and externally, of support. Even casually mentioning somebody's significant other and partner sends a strong signal, especially to the LGBTQ+ employees who themselves might not yet be out.

It reminds me of a story. We celebrate a global Day of Pink, where we basically ask our allies to wear pink in April to show their support for the LGBTQ+ community. And we've had offices where you would expect, because of the legal landscape or even just the cultural landscape of the country that they're in, you would expect them to be LGBTQ+ friendly. But what we found in some of our surveys is there's a couple offices where it stood out as surprising that that they weren't. And when we dug a little bit deeper, it wasn't the policies, it was the—are there enough visible senior leaders who are taking a stance and showing support? What was exciting was when we then did an intervention: we had a couple—it was just a handful of people—who said, "This is not right; we want to make sure that our LGBTQ+ folks feel included."

They participated in Day of Pink. They marched in Pride. They made sure that there was communication about how important being inclusive is and how important our GLAM and LGBTQ+ network is. And in only one year, the responses to the question, How open is your office to LGBTQ+ people? Jumped 20 or 30 points. So, to me, it's such a good reminder that a lot of change can happen in a short amount of time if you're sending the right signals, particularly from leadership but throughout the entire organization. There's a ton of opportunities for allies to show up.

Diane Brady: The opposite of that is very interesting, too. Because I know it's a global study, and there are,

of course, parts of the world where it's illegal to be in a same-sex relationship. And yet there are still ways to show support. I'm thinking of—was it a nail-polish station that you had, Diana?

Diana Ellsworth: So yeah, one of the stories that we heard was similar to our Day of Pink—it was an organization that encouraged employees to paint a fingernail purple in support of the community and set up these, as you referenced them, nail-polish stations at multiple places, to make it easy. This is a 30-second exercise, right, during your day, or you're on your way to the coffee bar, to stop and paint a fingernail purple. But people were amazed by how many people did it, and it created a little bit of a viral, I think, energy and momentum, and just this visible sign of support for the community. Again, the interviewee who talked about it—it was striking how much this small thing set the stage in a different way for what the level of support was within the broad employee base.

Setting the example

Diane Brady: I want to get to another one of the voices, which is around leadership, and as a leader, of course, you're a role model, but you know sexual orientation can be private—to identity can be private. And it creates an extra pressure and responsibility. So I want to refer to one woman who came out in a very public way about a decade ago, in a video to help LGBTQ+ kids that were at risk of suicide. And she recalls how it was transformative. Here she is.

Recording ("Beth"): We've got to be advocates. We have a duty and obligation to not just be out but also to use our platforms as visible LGBTQ+ role models, to help change the world.

Diane Brady: So, Diana, talk a little bit about that. She—I know she was 52 at the time. Is that quite common?

Diana Ellsworth: I think you find people come out at all sorts of different ages and life stages and tenures

² GLAM (grow, lead, advance, mobilize) is a professional network and supportive community for LGBTQ+ colleagues at McKinsey.

"We've got to be advocates. We have a duty and obligation to not just be out but also to use our platforms as visible LGBTQ+ role models, to help change the world."

-Recording ('Beth')

in organizations. And I think it'll be interesting to see how that changes over time as well. I think it's not uncommon, Beth's experience.

Diane Brady: So a duty and an obligation, Diana. Do you think that's fair?

Diana Ellsworth: I think a lot of people do feel that way. Maybe an opportunity is perhaps the more positive spin on obligation. But I think we heard from a lot of our survey respondents and interviewees, and I can certainly say personally, I feel the same way. There is a real opportunity to demonstrate for others that you can be happy, satisfied, successful, and out.

And I think it's for younger employees; it's for people who just have greater challenges. I mean, I referenced intersectionality before. There's a piece of it that's that.

There's also a piece of it—that is, the trans experience today is very different than it is for other members of the LGBTQ+ community, who are cisgender, who identify with the same gender they were born with. And so as we think about that whole different set of experiences, there's something powerful about there being visible role models who are willing to talk about it and be seen, and who create a sense of, "You are not the 'only,' whoever you are, whatever you're feeling." There's a positive path forward.

Maital Guttman: I just want to add I think it's such a good point, and if you think about the broader

context of where we are, and the conversations that we're having in the workplace—they are pretty courageous right now, and can even be uncomfortable, whether we're talking about LGBTQ+, or we're talking about race, or we're talking about intersectionality. Not everybody feels like they have the right vocabulary and tools to have those conversations. But I am quite amazed that it gives a sense of purpose to people when they do come out. And even though—like what Diana referenced earlier in the conversation—even though people are still coming out every week, and still reference that oftentimes, almost 40 percent of the time in the last month, at least one of the coming-out experiences was uncomfortable.

So even for people like Diana and myself, who are very out, it's still a conscious decision every time we come out. Because it's not guaranteed to be a comfortable conversation. But to me, and I think to many people, the idea that you make it easier for the next person—to me, it gives a lot of that extra oomph of courage, to be able to have those uncomfortable conversations and be out when sometimes it might just feel easier not to.

Diane Brady: Well, let's unpack intersectionality for a second, because I think that's a term, certainly, that is relatively new to me, and it is, in some ways, about how we all have multiple identities. And maybe one of the ways to set up this part is to refer to a clip where we're talking with somebody who was in London, who didn't become aware of racial bias until he moved to the US. Let's take a listen.

Recording: I never realized the color of my skin when I lived in the UK. Maybe I was very lucky. It was an inclusive environment; my corporate environment was inclusive. But when I moved to the US for the first time, I felt the color of my skin. I felt like a second-class citizen.

Diane Brady: Does that surprise you at all, Diana?

Diana Ellsworth: I think that people are constantly having to navigate different environments. I haven't ever worked in the UK, but his experience sounds quite positive. I think, if anything, that would be the side that surprises me. The fact that he was conscious of the color of his skin in the US does not surprise me.

And that he was navigating that while also navigating his experience as a gay man—it adds complexity to it and challenge to the choices he makes on a daily, if not hourly, basis.

Diane Brady: Let me ask about the Supreme Court decision, because I recall that it was something like half of US major employers have policies in place. What do you think is going to change, both in terms of the pressure, the legal environment? Are you getting any more interest from clients, for example, in addressing these issues as a result of that decision?

Diana Ellsworth: I think the impact of the Supreme Court decision cannot be [overstated]. I think the impact is going to be incredibly broad. It's going to have impact on employers, like you suggested. There are many states where this fundamentally changes the way people are going to think about precedent related to employment. But also things like housing and education and healthcare. At its core, this decision gives individuals across the US recourse at the federal level that they didn't previously have. And so it's a game changer.

Maital Guttman: And I would add, I think that's it. I agree, and to me, it almost felt like we were not

expecting it, and what a great surprise—just some great news coming out of the Supreme Court. But in some ways, it still doesn't feel like quite enough. It is a recognition that *employers* shouldn't be discriminating against LGBTQ+ people.

But to me, it also emphasized the need for broader legislation to make sure that we're not—that it is more institutionalized in our laws and policies, as Diana said, beyond employment. It's one of the reasons we've signed on as supporters of the Equality Act, to make sure that there's not discrimination across many different dimensions.

Just the Friday beforehand, there was a ruling that—the administration basically said that they would not include transgender as a protected status in the Affordable Care Act. So I think it is incredibly important in the Supreme Court. My wife and I got married on the steps of the Supreme Court, because we were so grateful of their decisions, and it's the reason we were able to get married when she was not a US citizen. But I think there's—we need much more legislative protection as well.

Diane Brady: Well, and it does feel like—that transgender is one of the newer areas that people are coming to terms with. I want to hear from one other voice. I'll give the description that she gives, actually: "Mother; divorced; I'm queer, lesbian, Latinx, and Mexican." Let's listen to what she has to say about how we can make the workplace more inclusive for people who are transgender and other identities.

Recording: Don't use the term "guys"; use "hey, friends," "hi, folks," "hey, everyone," "hey, you all." Those are the sorts of things that are not necessarily financially a heavy lift. They can be done relatively easily. The heavy lifts can be further topics of discussion in the years to come. But there's a lot of simple work that could be happening that's not happening.

Diane Brady: It's interesting, and Maital, I want to talk to you about this, because we do think a lot about cost, and we think about the cost of doing this. I'd like you to think about the cost of not doing it. It's not just an employee-engagement tool. Why is it important to have these kinds of policies and practices?

Maital Guttman: It's a great question. One of the big surprises out of the research when we asked if people had not taken a job or not pursued a company because they felt that it was not an inclusive work environment, and 58 percent of LGBTQ+ respondents said that they had not taken a job. But what was surprising, I think, to several of us was the high levels of—40 percent of all respondents said that they would pass up a job if they didn't feel that the company was inclusive enough. So this is something: that having an inclusive culture is incredibly important to employees.

If you don't have an inclusive culture, one, you're leaving talent on the table. You're not going to get the best talent. Two, if they do come, they're less likely to be engaged or to stay. Three, they're less likely to be able to authentically bring themselves to work and fully be able to participate and engage, and get the best out of them. It's one reason that I think we've seen that more diversity in the

workplace, and especially at the top, yields better financial results. This is not something that's just a nice to have, a good thing to do, which it is, but it's actually good for business. And to her point, that it doesn't have to cost—some of this doesn't have to cost much, right?

One of the interesting things, now that everybody's videoconferencing virtually, is that it allows people to have their names and their pronouns next to their names on their screen names. It allows for more people to signal inclusion, to be less likely to misgender people. And doing that is free. So there's a lot that can be done to create that inclusive culture.

Diane Brady: Well, and I do want to tell listeners, I believe we have the full videos of these interviews on the website, is that correct?

Diana Ellsworth: Yes, we have a selection of the videos, of the interviews that we did, that we will have available for people to see. And again, there's something about reading the quotes; there's something better about hearing it. But to see the faces behind the experiences, I think, is quite powerful.

Diane Brady: Well, and I wanted—I know we have to sum up—and so what's interesting, I'll just share a personal experience, is we tend to look at these

"Having an inclusive culture is incredibly important to employees. If you don't have an inclusive culture, you're leaving talent on the table."

-Maital Guttman

issues in the context of the people who are living them. And it's a much wider ecosystem.

Maital, you mentioned your parents, and it's certainly something that has come into my life through my children. But even my dad, I remember, in the late '80s, he was a carpet salesman, and the moment of pride for our family was seeing him march in the Pride Parade, because he installed commercial carpet at the first AIDS hospice. And the pride that he felt, the pride that our family felt—these are much bigger, broader issues than simply the people who are living them.

Maital Guttman: It's such an important point. I remember, we did an LGBTQ+ training, an allyship training in one of our offices. And we asked people to raise their hand if they felt comfortable if they themselves identified as LGBTQ+, and a handful of people raised their hand. And then we said, "Well, who has family members?" And about half the group raised their hand. And then we asked, "Well, who has close friends and family?" And I would say almost 90 percent of the room raised their hands.

So the concept of inclusion and who is part of the LGBTQ+ community—it's so much broader than the people themselves or the employees themselves. One of the things I've found to be a trend is that people who are talking much more recently are parents who have LGBTQ+ children. And actually, we have a growing number of parents whose children are trans and have come to us and said, "I'm so proud to be working here and so grateful for our inclusive culture and for our offerings and our resources. Because I know that I belong and that my family belongs." And so those who identify as part of the LGBTQ+ community is just growing. And that matters to people.

Making meaningful progress

Diane Brady: So let's end with a call to action of some sort or some takeaway. Pivoting off the study, I will, again, go to the *McKinsey Quarterly* to get it. I recommend it highly—a terrific look at insights on

what the current experience is. But for listeners, what would you have them do? Could be one thing, two things. Give us some advice or inspiration to head off and make a difference. Diana, I'm going to start with you.

Diana Ellsworth: I might say two things. One is at the personal and individual level, which is one way you influence an inclusive culture. And that is about, How do you give the visible signs? How do you use the inclusive language? How do you put up a sticker that shows your ally support in your office window, if we end up back in offices with windows at some point? How do you attend events? But I think there's something as an individual, which is about being visible in your support for the LGBTQ+ community.

The second thing, at the organizational level, is to say, "How do we make the 'only' experience that Maital referenced earlier rarer? How do we strengthen our talent pipeline, as it comes to LGBTQ+ employees?" That's everything from thinking more creatively about where you source your talent at the beginning to looking at your performance-management processes and making sure there isn't bias in them in some ways. It's about making sure employees are sponsored by more senior members of the organization.

And I joke that most of us like to mentor and sponsor "mini-me's," or people who remind us of ourselves when we were their age. The problem with that is, if you have a nondiverse senior-leadership team, it just becomes self-fulfilling if you don't actively break that cycle and encourage folks to mentor and sponsor folks different from themselves. But I think there's a real role in organizations saying, "Let us look across our whole talent pipeline and figure out how to drive greater diversity through the whole thing."

Diane Brady: Yeah. We do tend to recognize excellence in a form that reminds us of ourselves, don't we? Maital, how about you? Call to action.

Maital Guttman: I think we're in a pivotal moment in history. You know, COVID-19 is impacting us globally. Certainly, racial-justice issues in the US and beyond. And what I think that is doing is we're realizing we might all be in the same storm, but we have different boats.

And some of those boats are not as well equipped as others or aren't as—they're not all created equal. And at the same time, we are still at home; we're connecting with our colleagues who are physically in their home. And so the boundaries of our lives are much harder to separate. And so, to me, I think this is an opportunity to lean into that. To check in with folks, to listen, to let them bring their authentic parts of their lives, regardless of or because of their different identities. To be open to

that and to encourage those conversations. To lean into the vulnerability and to have those brave and courageous conversations. This is, I think, such a unique time for us to be able to listen to each other—to learn and then to take action.

Diane Brady: Wise words, Maital. Thank you both very much for your time.

Diana Ellsworth: Thank you so much for having us.

Maital Guttman: Really enjoyed the conversation. Thanks so much.

Diane Brady: If you want to hear more, go to the *McKinsey Quarterly*. I'm Diane Brady, thanks.

Diana Ellsworth is a partner in McKinsey's Atlanta office, where **Maital Guttman** is a senior manager for diversity and inclusion. **Diane Brady**, a member of McKinsey Publishing, is based in the New York office.

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