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Organization Practice

LGBTQ+ inclusion
in the workplace

How to take action to support LGBTQ+ employees—
not just during Pride Month, but year-round.

During Pride Month, many large companies take the opportunity to celebrate the LGBTQ+ community in myriad vital and visible ways. But creating a genuinely inclusive culture means taking year-round action—and the COVID-19 pandemic has only compounded the challenge.

In this episode of *McKinsey Talks Talent*, talent experts Bryan Hancock and Bill Schaninger speak with Diana Ellsworth, leader of McKinsey's work on diversity, equity, and inclusion, about the latest research on the LGBTQ+ experience in the workplace—including practical steps all employees can take to both signal support and advance progress. An edited version of their conversation with McKinsey Global Publishing's Lucia Rahilly follows.

What the research reveals

Lucia Rahilly: Diana, you've led much of our research on the LGBTQ+ experience at work. What have we learned about how LGBTQ+ employees are faring?

Diana Ellsworth: The LGBTQ+ community is underrepresented in the workplace, especially at more senior levels. As a result, many feel like an "only" at work and are more likely to experience microaggressions; they might feel unable to talk openly and comfortably about themselves, for example, or need constantly to correct assumptions about their personal lives. We see many incredible examples of members of the LGBTQ+ community thriving at work, but overall, barriers and challenges remain.

Lucia Rahilly: We have some forthcoming research on trans and gender-nonconforming employees. What has that work taught us?

Diana Ellsworth: The trans community faces some of the sharpest barriers in the workplace. They're twice as likely to hear sexist jokes about people of their gender, for example, and three times likelier to feel they can't talk about their life outside of work. That translates into being much more likely to think about leaving their company. In our research, we found that 21 percent of cisgender employees thought frequently about leaving their workplace; that figure rose as high as 32 percent for trans employees.

Lucia Rahilly: Bill, we've talked about inclusion on this podcast before, and you outlined a helpful model for understanding what inclusion means and how to think about it day-to-day. Would you briefly recap?
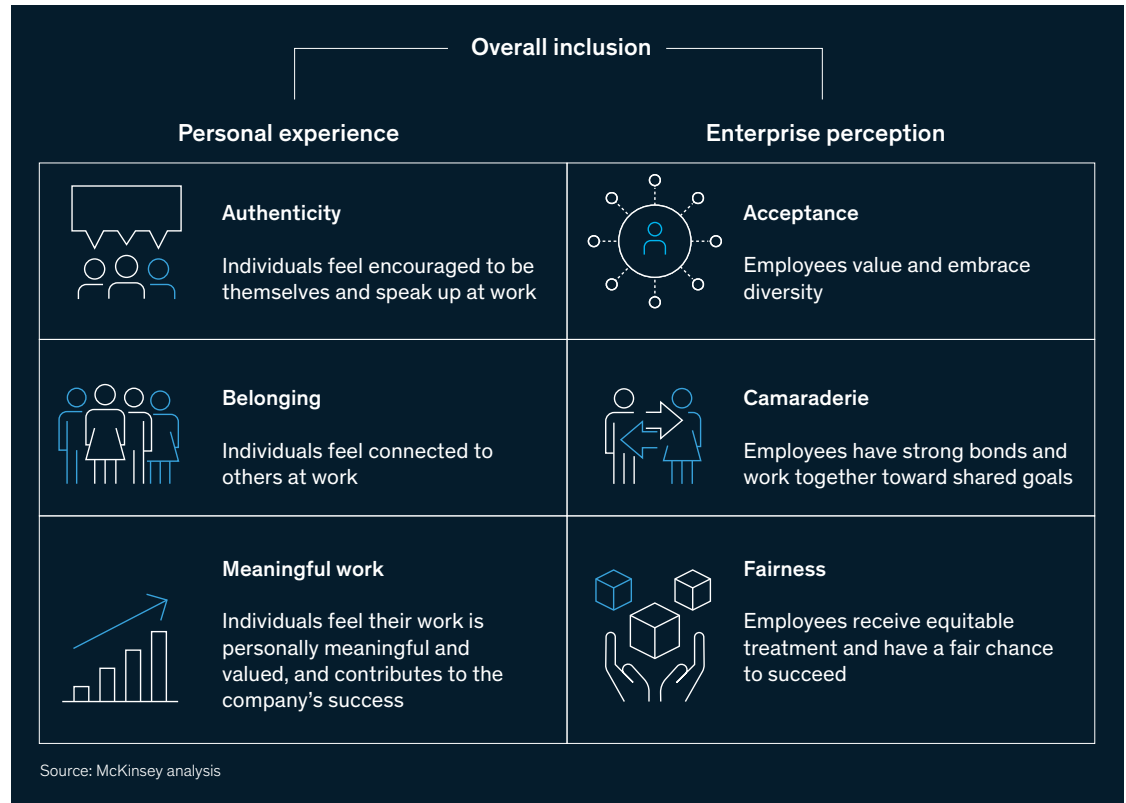
Bill Schaninger: Our research highlights the importance of colleagues and teammates, who have a huge influence on whether folks feel they're in an inclusive environment. To help leaders get their head around whether their workplace feels inclusive, we look at individual behaviors—leaders, team members—and then at policies in the overall company (exhibit). We're hopeful that by divvying it up like that, we can measure inclusion more discretely and then take action in a far more pointed manner.

‘When we look at the Women in the Workplace data, across our participating companies, LGBTQ+ women are underrepresented by more than half, even at the entry level.’

–Bryan Hancock

Exhibit

Employees feel included when both their direct, day-to-day experience and their perceptions of organization-wide support are positive.

Overall inclusion

Personal experience

Enterprise perception

Authenticity

Individuals feel encouraged to be themselves and speak up at work

Acceptance

Employees value and embrace diversity

Belonging

Individuals feel connected to others at work

Camaraderie

Employees have strong bonds and work together toward shared goals

Meaningful work

Individuals feel their work is personally meaningful and valued, and contributes to the company's success

Fairness

Employees receive equitable treatment and have a fair chance to succeed

Source: McKinsey analysis

Lucia Rahilly: Bryan, in your day-to-day with clients, do you see signs of meaningful progress on diversity imperatives, whether LGBTQ+ or generally?

Bryan Hancock: We see companies thinking a lot about representation and whether they're getting the right people in the door—not just on diversity broadly but also with specific groups. The most advanced are looking at intersectionality.

For example, our research on race in the workplace shows that Black employees are overrepresented on the front lines and are at about parity at corporate entry-level jobs. The LGBTQ+ community is underrepresented even at the entry level. And when we look at the Women in the Workplace data, across our participating companies, LGBTQ+ women are underrepresented by more than half, even at the entry level. Diana, do we have a sense of where that missing talent is?

Diana Ellsworth: Not a great sense. We recognize they're not in corporate America, broadly defined, but trying to figure out where they are, and what's attracting them to other places, is part of the work ahead.

Microaggressions add up—but so do positive signals

Bill Schaninger: Diana, do we get feedback—even anecdotally—about the kinds of signals that indicate a workplace is likely to be inclusive, starting at recruiting and the earliest moments on the job?

Diana Ellsworth: We hear lots of examples where even before their first day, employees have already gotten strong signals about whether a workplace will be inclusive to the LGBTQ+ community—the type of language used, visuals on the website,

'Microaggressions are small but add up to negative impact. Conversely, every time we use inclusive language, we give a positive signal: this is a safe environment where LGBTQ+ employees are respected and valued.'

—Diana Ellsworth

options beyond male and female on the job application. I've also heard more stories than I care to admit about interviewees wearing a wedding ring and being asked about a spouse of the opposite gender. You can imagine the awkwardness in that moment, as the candidate tries to navigate what—if anything—to say.

Lucia Rahilly: Suppose you witnessed that interaction. How would you recommend handling it?

Diana Ellsworth: Jump in before the interviewee is on the spot. If you hear a colleague ask about a candidate's wife, jump in and add "or your husband." That signals that you and your organization aren't assuming anything. And then take the opportunity to have a conversation with your colleagues afterward. These kinds of microaggressions aren't ill intended, but they really do influence the employee experience in a way that can be quite negative over time.

Bill Schaninger: You can't assume your own worldview and experience translate everywhere. But there's a disproportionate number of middle-aged to older white men involved in interviewing. How can we step into the conversation to start addressing those sorts of assumptions—assumptions that can have substantial impact on candidates, as well as on the company, its brand, and its value proposition?

Diana Ellsworth: There are two levels. The first is formal training, for people who interview or interact

with recruits, about the assumptions inherent in language. Take parental-leave policy. Terms like maternity or paternity leave don't always apply to members of the LGBTQ+ community. The second is to spread sunlight on these stories to help people understand the best way to behave inclusively.

Bryan Hancock: What can a manager do to make the workplace more welcoming?

Diana Ellsworth: Microaggressions are small but add up to negative impact. Conversely, every time we use inclusive language, we give a positive signal: this is a safe environment where LGBTQ+ employees are respected and valued.

Lucia Rahilly: B2C companies, particularly in retail, may have opportunities to signal LGBTQ+ support at massive scale. What can B2B companies do?

Diana Ellsworth: Some companies have ally programs. Visual signals, like allyship stickers, can really have an influence. We're talking during Pride Month, and if you scroll through LinkedIn, you'll see many corporate logos that feature rainbows. Similarly, more B2B companies are marching in Pride parades or sponsoring Pride events. And there are recruiting events specifically focused on LGBTQ+ talent. We've seen a real expansion not just in the number of companies participating but in the breadth of industries they represent.

How allies take action

Bill Schaninger: How can those in power take action to help?

Diana Ellsworth: We've done focus groups and interviews with LGBTQ+ leaders globally. Almost all could point to powerful moments of allyship—leaders taking a visible stance, either in support of an individual or the community broadly. Finding opportunities to be an active ally can have a significant impact on an employee's career trajectory.

Lucia Rahilly: Diana, can you point to an example like that from your own career?

Diana Ellsworth: Two come to mind. In the first, I was relatively junior and having lunch at a restaurant with a McKinsey partner and a client, and the client commented that there were often lots of gay people at the restaurant. He didn't say it in a particularly derogatory way, but it was odd. We moved on, but as soon as we were out of earshot, the partner turned to me and asked, "Should I have said something? I can go right now. What do you want me to say? Do you want me to say something to somebody else in the organization?"

I so appreciated his concern. At that point, we'd had a lovely 90-minute lunch—and this was still on that partner's mind. He wanted my guidance, which was helpful because different people would have wanted different things. I told him that although I hadn't worked with this client very long, at some point, I would take it up with him directly. I didn't need the partner to do it. But the fact that he wanted my counsel on what to do—and was very willing to take an action—really stood out to me as a moment of feeling supported.

Another example: when I first joined McKinsey, we didn't have many openly LGBTQ+ consultants in our Southern offices, including Atlanta, where I'm located. I was out, but it wasn't something I made a big deal of. The next year, a business analyst joined who felt our community should have a more visible presence and pushed our office to sponsor a Pride event. We did, and lots of people came.

The next Friday, the head of our office—whom I didn't know very well—invited me to his office and asked about the event. I thought he was making small talk and said it was great, and then there was a long, awkward ten-second pause. Turns out he'd asked me to his office because he genuinely wanted to hear about the Pride event and to apologize for missing it because he'd been out of town. It hadn't even occurred to me that he would care enough to have a real conversation about it. But once I realized his intention, we launched into a wonderful conversation about the event. That was a standout moment.

Bill Schaninger: I've been trying to find a way to talk about masking—about having it be your choice, how much you reveal about your personal life, versus being a survival tool.

Diana Ellsworth: Right, some people don't want to be out overall or in a specific moment. That's different from feeling unsafe, unwelcome, or uncomfortable.

Lucia Rahilly: Having to educate colleagues day after day might also add frictional costs—and not everyone is in the position to shoulder that additional burden.

Diana Ellsworth: Absolutely. Even having been quite open for a long time, I still have that moment where I'm on an airplane next to a random stranger who asks about my husband. And I might sometimes think, do I have the energy for this conversation? Should I just smile, turn back to my laptop, and do my work? Or should I speak up, since this is the way people learn their assumptions are not always correct? But there's a choice.

Lucia Rahilly: We've seen a few high-profile LGBTQ+ leadership appointments lately—for example, Rachel Levine, the US assistant secretary of health, who is the first openly trans federal official confirmed by the Senate. Still, our research shows underrepresentation at every stage, and based on sheer numbers, trans workers in particular must be unlikely to find visible role models in the leadership

or on the board of the average Fortune 500 company. Allyship is one way forward. What are some other options for companies that haven't yet created internal role models?

Diana Ellsworth: Sponsorship is critical—senior and influential people who look out for underrepresented talent, advise them, create opportunities for them. One really important question is how to encourage senior people to sponsor employees who are different from themselves. The trans community in corporate America has significantly lower levels of sponsorship than other communities do—and that really hurts their potential to move up in an organization, even if they're incredibly talented.

One community, many different experiences

Bryan Hancock: Diana, do Gen Z and younger millennials have a different attitude toward LGBTQ+ colleagues and communities? Do you see a positive trend?

Diana Ellsworth: The younger generation is more open on this topic—and they expect and demand more inclusivity than previous generations do. But our global research also shows that employees who are more junior are less likely to be out at work than senior-level employees. That may seem counterintuitive. But new and junior employees may feel they have a lot more on the line. They may not know if being out is safe or may hurt their career progression.

That's why all these visible signals of credible support for the community really matter—starting as early as recruiting. They help create an environment where junior employees feel that if they want to be out, they can make that choice.

Lucia Rahilly: Younger LGBTQ+ employees tend to be a particularly diverse demographic, which raises the topic of intersectionality and the highly individual needs that exist within the community. Is there a risk of treating LGBTQ+ employees as a monolith?

Diana Ellsworth: Yes, and there's a lot of value in understanding the different challenges that different elements of the community face. Intersectionality isn't just about differences in the experience of a lesbian versus a bisexual man versus a gay man. It's also about, for example, members of the community who are people of color—the race or ethnicity they identify with and how that influences their experience. There's value in the community coming together—in feeling like you're a part of something and not an only. But there's also a risk, because the experiences people have, and the barriers they face, can be different among different members of the community.

Lucia Rahilly: The pandemic has illuminated more of our personal lives, and many have talked about the benefits of bringing a fuller sense of themselves to work. Has remote work had any more nuanced effects for LGBTQ+ colleagues?

Diana Ellsworth: Some say remote work has taken strong relationships to the next level, because seeing colleagues at home helps you feel connected to them in ways you might not feel in a traditional workplace. That said, we also saw in a lot of research that members of the LGBTQ+ community disproportionately feared losing ground during the crisis. They felt isolated and struggled with mental-health issues brought about by the pandemic more than some other groups.

Lucia Rahilly: How should leaders manage for those effects as they move toward hybrid work?

Diana Ellsworth: The hybrid workplace is something we'll all need to figure out on many dimensions. For the LGBTQ+ community, working remotely has benefits but also real risks, especially taking a global view. There are a number of geographies, even in the US, where people are quite fearful about visibility into private life in the way remote work can require.

Lucia Rahilly: Many global companies have offices in countries with more limited protections and social freedoms for LGBTQ+ workers. What can leaders do when battling a lack of cultural acceptance in certain geographies?

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—Bill Schaninger

Diana Ellsworth: Although you can't control the legal and regulatory environment of a company, you can potentially influence it in some ways. And you can absolutely control the experience your employees have at work. We spoke with a company where leaders measure their efforts in an annual survey and then celebrate not just the highest-performing inclusive offices but also those that made the most progress, to highlight and encourage forward momentum. They also quietly identify a set of priority offices each year where the environment is not inclusive, and then work directly with leadership on the strategic plan for change. That way, at least within the workplace, LGBTQ+ employees feel included and supported.

Bill Schaninger: I wonder if there might also be an opportunity to push a little harder. For example, legal frameworks and rules and regulations related to safety can vary by country—but a company might still insist on following the most stringent safety protocols, regardless of where it's domiciled. That also applies with an ethos of inclusivity. We either believe in it or we don't.

Measuring—and rewarding—progress

Bryan Hancock: Diana, do you have a view on the value of employee resource groups for the LGBTQ+ community?

Diana Ellsworth: At their core, employee resource groups help people feel connected to a community and that they're not an only. They broaden the pipeline of recruitment, mentorship, and advising. And they have a role in educating, informing, and building allyship more broadly.

That said, there's also a real danger of a few human beings taking on all this work on top of their day jobs. The organizations with the most successful and robust employee resource groups often have a way of acknowledging and rewarding the employees who contribute to inclusion efforts. In a minority of examples, there's actually a financial reward—but in a number of examples, these contributions are brought into performance reviews and celebrated.

Lucia Rahilly: How can organizations determine whether they're making progress?

Diana Ellsworth: It helps if leaders do the work to understand what inclusion is, what the experiences of different subsets of employees look like, and where these experiences are the same or different. Then you can track challenges over time—for example, the differences between the experience of your LGBTQ+ population and your straight cisgender population—and whether you're shrinking the negative gaps. The pulse surveys taken throughout the pandemic can be useful. Data helps measure progress but also helps you take action. It lets you know in real time that certain communities may need more support.

Bill Schaninger: There's a real opportunity to measure on the level of the community, rather than organizational structure—which is the typical way to slice and dice data and is unlikely to represent the experience of LGBTQ+ and intersectional employees. Unless you tap into specific communities, you risk applying the wrong tool or the wrong intervention. We should assume the average is masking massive variability.

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