



Open For Business

The economic and business
case for global LGBT&T inclusion

Executive Summary

By Jon Miller and Lucy Parker

About Open For Business

Open For Business is a coalition of global companies making the case that inclusive, diverse societies are better for business and better for economic growth. The purpose of the coalition is to promote a positive business and economic case for equality of opportunity for everyone, all across the world.

Open For Business is a response by a number of leading global businesses to the spread of anti-LGB&T sentiment in many parts of the world. It is not a formal organization, but a coalition of companies supporting LGB&T inclusion.

These businesses share a deep-rooted commitment to diversity and inclusion in their own workplaces, and they are concerned about the growth of anti-LGB&T policies in many countries in which they operate.

The coalition identified the need for a stronger and more comprehensive evidence base that makes the business and economic case for LGB&T inclusion. Even within governments implementing anti-LGB&T policies there is opposition – and this often comes from ministers with responsibility for finance and commerce. The opportunity exists now to empower those arguing against discrimination, and provide them with ammunition.

This report is the first output of Open For Business. It builds upon many strands of work which explore the subject from different angles, such as economic growth and development, business performance and productivity, and human resources and talent management. This report brings together these strands into the most comprehensive evidence base yet published on this subject.

The coalition will use this content as the basis for outreach programs in countries with anti-LGB&T sentiment, conducting training and roundtables to raise awareness of the case for inclusion, and creating allies and activists in the local business communities.

Our task is to present the business rationale on global LGB&T inclusion: successful, enterprising businesses thrive in diverse, inclusive societies and the spread of anti-gay policies runs counter to the interests of business and economic development.



BRUNSWICK



Google



LinkedIn

Linklaters



RBS

Standard Chartered



Virgin

Forewords



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Violence, harassment and the prospect of arrest cause enormous stress and suffering and can take people out of productive employment altogether. For the individuals concerned, these are personal tragedies. For society at large, they amount to an enormous waste of human talent and creativity and, ultimately, of economic potential.”

Yvonne Chaka Chaka

United Nations Equality Champion,
President at the Princess of
Africa Foundation, and UNICEF
Goodwill Ambassador



“

Discriminatory laws are also detrimental to business and economic development, threatening the stability that businesses desire, risking the safety of their employees, and jeopardizing productive economic relationships that can advance business interests all over the world.”

Randy W. Berry

U.S. State Department Special
Envoy for the Human Rights
of LGBTI Persons



“

The power of this economic case is that it gives a roadmap for companies and countries that want all of their workers and citizens to contribute fully.”

M. V. Lee Badgett

Professor of Economics and Director
of the Center for Public Policy &
Administration, University of
Massachusetts, Amherst

The call for evidence

Civil society organizations around the world voice the need for evidence on the business and economic case for LGB&T inclusion



"We need to make the business case for activism – how businesses can be part of leading social change. We need to start with quiet and gradual change in companies' internal policies, and this will activate the social dimension: people to people contact...and this way we will engage more people in the movement for equality."

Anastasia Smirnova,
LGBT activist, RUSSIA



"Companies need to be visible on this issue. They shouldn't be afraid of 'coming out' as a supporter of LGB&T issues – they can play an important role."

Jej Perfekcyjność,
LGBT Business Forum Foundation, POLAND



We need businesses to push hard with these arguments. This is not a political question, it is a business question. We need to go beyond a human rights argument and beyond words like 'inclusion' and talk about the costs to businesses – and provide the evidence. In Singapore, we need the global companies more than they need us – they are in a strong position to make an argument."

Jean Chong,
Sayoni, SINGAPORE



"There is a huge role for business and corporations to play. We need to open up spaces of acceptance – and the model of US and UK businesses has been a good one. It is the right time to start to put these arguments on the table."

Ifeanyi Orazulike,
International Centre for Advocacy on the right to Health, NIGERIA



"We must impress upon the political class that [the re-criminalization of homosexuality] has economic costs and business costs – we need empirical evidence, we need investment in research that can be robustly presented."

Pallav Patankar,
Humsafar Trust, INDIA

Executive summary

Open, inclusive and diverse societies are better for business and better for economic growth. This report presents the evidence base that supports this: it demonstrates that businesses thrive in tolerant societies and that the spread of anti-LGB&T policies runs counter to the interests of business and economic development.

The report draws upon the global perspectives of the companies supporting Open For Business, and they have contributed their experience and expertise on the business case for gay, lesbian, bisexual and transgender (LGB&T) inclusion. It also incorporates the perspectives of activists in countries that are on the front-line of LGB&T discrimination, to ensure it is grounded in local country realities.

There are many strands of work which have studied the subject from different angles, including economic growth and development, business performance and productivity, and human resources and talent management. This report brings these together for the first time. As a result, this report represents the most comprehensive evidence base yet published on this subject.

The report begins with an overview of the Global Situation: in many parts of the world, recent years have seen a growing culture of respect for LGB&T individuals, and their ability to fully participate in society is protected by law. In other parts of the world, there is rising antagonism towards LGB&T people, who are suffering discrimination at the hands of politicians and lawmakers.

The report then looks at the economic opportunities associated with LGB&T inclusion, and the business risks of operating in territories that practice discrimination against LGB&T individuals. These opportunities and risks can be summarized as follows:

Economic opportunity

A. Economic performance

Stronger growth and higher levels of entrepreneurialism.

B. Business performance

Superior performance, innovation and profitability.

C. Individual performance

Greater employee productivity and contribution.

Business risk

A. Employee safety & security

Criminal conviction, harassment and violence.

B. Non-compliance

Conflict between global codes of conduct and local laws.

C. Brand & reputation

Negative employee and consumer opinion, and hostile activism.

Executive summary continued

Economic Opportunity

The business and economic case for LGB&T inclusion exists on three levels – economic performance, business performance and individual performance – and the evidence base is presented in the following 23 propositions.

A. Economic performance

Proposition 1: Urban Economic Growth

LGB&T inclusion signals a diverse and creative environment, which creates the right conditions for urban economic growth.

Proposition 2: Entrepreneurship

LGB&T inclusion results in higher levels of enterprise, creativity and innovation.

Proposition 3: Corruption

LGB&T discrimination often goes hand-in-hand with a culture of corrupt practices and a lack of openness.

Proposition 4: Foreign Direct Investment

LGB&T inclusion is associated with countries which attract higher levels of foreign direct investment.

Proposition 5: Global Markets

LGB&T discrimination may inhibit local companies from connecting to global markets.

Proposition 6: Brain-drain

LGB&T discrimination results in a 'brain drain' – the emigration of talented and skilled individuals.

Proposition 7: Health

LGB&T discrimination leads to negative economic consequences as a result of poor health outcomes.

Proposition 8: National Reputation

LGB&T discrimination can shape perceptions on a world stage, with a negative impact on tourism, talent attraction and export markets for consumer goods.

Proposition 9: National productivity

LGB&T discrimination leads to lower levels of national productivity.

B. Business performance

Proposition 10: Attracting Talent

Companies that are more diverse and inclusive are better able to compete for talented employees.

Proposition 11: Retaining Talent

Companies that are more diverse and inclusive have higher rates of retention of talented employees.

Proposition 12: Innovation

Companies that are more diverse and inclusive have higher levels of innovation and creativity.

Proposition 13: Collaboration

Companies that are more diverse and inclusive create an atmosphere of trust and communication, which is essential to effective teamwork.

Proposition 14: Customer Orientation

Companies that are more diverse and inclusive are better able to anticipate customer needs and to access a broader client base.

Proposition 15: Brand Strength

Companies that are more diverse and inclusive have greater brand appeal and loyalty with consumers who want socially responsible brands.

C. Individual performance

Proposition 16: Authenticity

Individuals working in open, diverse, inclusive environments are able to be themselves, instead of concealing important aspects of their identity.

Proposition 17: Motivation

Individuals working in open, diverse, inclusive environments have higher levels of motivation.

Proposition 18: Affinity

Individuals working in open, diverse, inclusive environments have greater affinity with values and culture of the workplace.

Proposition 19: Satisfaction

Individuals working in open, diverse, inclusive environments have higher levels of satisfaction.

Proposition 20: Health

Individuals working in open, diverse, inclusive environments are free from discrimination – a cause of poor mental health and physical violence.

Proposition 21: Speaking Up

Individuals working in open, diverse, inclusive environments are more likely to speak up with suggestions to improve performance.

Proposition 22: The Extra Mile

Individuals working in open, diverse, inclusive environments are more likely to go beyond their formal remit and make a contribution to the culture of the company.

Proposition 23: Individual Productivity

Individuals working in open, diverse, inclusive environments have greater productivity – more efficient work with higher quality outputs.

Executive summary continued

Business Risk

The risks facing companies operating in countries which are hostile to LGB&T individuals exist on three levels – employee safety and security, non-compliance, and brand and reputation – and these are explored in the following 12 scenarios.

A. Employee safety & security

Scenario 1: Criminal Conviction

Risk of arrest and/or Conviction of LGB&T employees for participating in same-sex sexual activity.

Scenario 2: Non-Reporting of an LGB&T Individual or Supporter

Risk of violating anti-LGB&T laws that require people known to be LGB&T to be reported to authorities.

Scenario 3: Violent Action Against the Company and/or Employees

Risk of attack of employees and/or company property through opportunistic violence and/or vigilante activity.

B. Non-compliance risk

Scenario 4: Promoting Non-Traditional Sexual Relationships

Risk of violating laws prohibiting the promotion of “non-traditional sexual relationships” through LGB&T networks, or through inclusion and diversity communications.

Scenario 5: Global Mobility of Employees

Risk of failing to comply with legal requirements to provide safe and secure working conditions to employees overseas.

Scenario 6: Equal Benefits for Employees

Risk of failing to comply with non-discrimination legislation by not paying full spousal benefits to employees overseas.

C. Brand & reputation risk

Scenario 7: Misaligning with the Global Emerging Middle Class

Companies operating in anti-LGB&T environments may be forced to take positions inconsistent with the values of the commercially critical global middle class.

Scenario 8: Alienating Global Millennial Consumers and Employees

Companies operating in anti-LGB&T environments may be forced to take positions inconsistent with the values of global Millennials.

Scenario 9: Risks Facing Global Companies Marketing to Consumers in Anti-LGB&T Environments

Marketing activities in countries with strong anti-LGB&T sentiment may be at odds with the values of the company and the expectations of global consumers.

Scenario 10: Falling Out of Step with Corporate Stakeholders

Companies not vocally supporting global LGB&T inclusion may become estranged from the communities from which they draw workers, partners and customers.

Scenario 11: Appearance of Hypocrisy and “Pink Washing”

Companies not vocally supporting global LGB&T inclusion but promoting their diversity credentials at home may be accused of hypocrisy.

Scenario 12: Failing to Take a Clear Position on Global LGB&T Inclusion

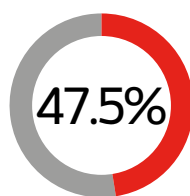
Risk of criticism from the public groups who expect global businesses to take a clear position on LGB&T inclusion overseas as well as at home.

Executive summary continued

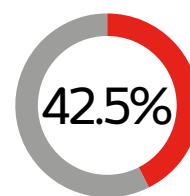
New Survey Data

Consumers Are Ready to Act in Support of Global LGB&T Inclusion

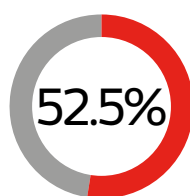
To explore further the risks associated with public opinion, Open For Business commissioned a survey of attitudes amongst U.S. and U.K. consumers towards companies doing business in countries with anti-LGB&T laws.¹ The results are published for the first time in this report. The results show the strength of popular support for global LGB&T inclusion – to the extent that they support boycotts, change consumption behaviors and employment preferences:



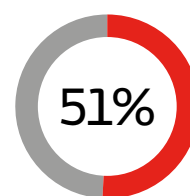
Nearly HALF (47.5%) would support a boycott of companies working in countries that have anti-gay laws



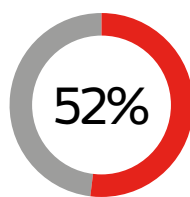
42.5% would be UNLIKELY to buy coffee from a country that has anti-gay laws



More than HALF (52.5%) say they would be UNLIKELY to support international development aid going to a country that has anti-gay laws.



More than HALF (51%) would be UNLIKELY to go on holiday to a country that has anti-gay laws



More than HALF (52%) would be UNLIKELY to work for a company that does business in a country that has anti-gay laws

Throughout this report we draw upon correlations to illustrate the case for LGB&T inclusion. Correlation does not equal causation, and this report does not draw inferences beyond those supported by the data. One thing is clear, however: time and time again we see that LGB&T inclusion goes hand-in-hand with a range of indicators of economic growth, business performance and individual productivity, as well as measures of entrepreneurialism, innovation and non-corruption. This report presents these correlations and invites readers to draw their own conclusions.

¹ Research by Brunswick Insight; N=525 in the US; N=543 in the UK

Open For Business: Positions of coalition supporters

Each of the companies supporting Open For Business has a deep-rooted position on diversity, and have been vocal supporters of LGB&T inclusion.

American Express

As a global company, it is vital to our success that our employees are as diverse as the customers and communities we serve. American Express has built a diverse workforce and an inclusive workplace, and we foster a culture where differences are valued and expressed freely and all employees have the support they need to take risks, learn, and collaborate. American Express has long been committed to LGBT causes and has scored 100% on the Human Rights Campaign's (HRC) Corporate Equality Index since 2004.

AT&T

Big ambitions, big ideas, big opportunities. AT&T is a place where people from all walks of life and all kinds of backgrounds have the support they need to break down barriers and move our world forward. Each day, more than 280,000 of us bring our unique perspectives, skills and ideas to our work—so that together, we can lead the way toward a brighter future for everyone.

Brunswick

At Brunswick we believe that businesses must deliver social value alongside financial value, and that global businesses are in a position to drive progress – demonstrating how open, diverse and inclusive workplaces are good for business, good for employees and good for the economies in which they operate.

EY

At EY, our diverse, inclusive and borderless teams are key to delivering exceptional client service and meeting our clients' specific needs in their local markets. As a global organization, adding differing voices and viewpoints helps make sure we don't stifle creativity and lose our competitive advantage.

Google

At Google we believe that inclusion and diversity is good business, and so we work hard to ensure we have a culture that welcomes everyone. We oppose

all laws that enable or encourage discrimination and we've been steadfast in our efforts to eliminate discrimination against the LGB&T community.

IBM

IBMers around the world work in an environment where diversity – including diversity of thought – is the norm. Our diversity is reflective of the global marketplace and is integral to our corporate character. We believe it's what we do together that sets us apart.

LinkedIn

At LinkedIn our long-term vision is to create economic opportunity for the world's professionals, and inclusion and diversity are key to making this happen. We want to challenge each other to make the world in which we work a more inclusive place.

Linklaters

Creating a diverse and inclusive culture is a key business challenge. Being a global organization means much more than having offices around the world. If we are to be the leading global law firm, we have to have a team that reflects the cultures and values of the communities in which we work.

MasterCard

Our culture of inclusion has established us as a global company of empowered employees who use their diversity of thought, experience and background to deliver innovative products and solutions that are as diverse as the consumers we serve around the world. Our inclusive culture is about more than simply having a diverse workforce – it's about using diversity to drive real business impact and making meaningful contributions to society.

RBS

At RBS, we value the diversity of our employees and are committed to creating an inclusive culture. We prize fairness, want to attract and retain talent and enable employees to reach their full potential.

In order to do this we need to embrace people's differences including their sexual orientation. We encourage employees to bring the best of themselves to work, to be respectful and curious about diversity, and our efforts around this have been recognised externally.

Standard Chartered

Our approach to diversity and inclusion is fundamental to who we are as an organization, and a key aspect of our brand promise, Here for good. As an international bank, we have a naturally diverse workforce. This provides us with a strong competitive advantage, enabling us to understand better the needs of those who bank with us.

Thomson Reuters

Diversity and Inclusion – it's who we are and how we do business. It helps us attract, develop and retain the widest range of talent to meet our clients' ever-evolving needs. Our customers are from a broad range of geographical and cultural backgrounds. To partner with them, develop new ideas and solve their complex challenges, we embrace diversity of thought, style, experience and approach.

Virgin Group

We're committed to ensuring that Virgin is an inclusive place to work, where differences are celebrated and our people can be themselves and feel at "home" at Virgin. We recognise that an inclusive culture that brings together the right group of people who mirror the wonderful diversity of our world and who can promote diversity of thought is good for business. We firmly believe that this is a huge opportunity, not a challenge, and it's great for the communities that we serve. We have the desire to make a positive difference to people's lives through changing business for good, so we create an environment where all people can thrive – because of who they are, not in spite of it.

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A report published by Open For Business: a coalition of companies supporting global LGB&T inclusion.