

# The Business Impact of LGBT-Supportive Workplace Policies



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## EXECUTIVE SUMMARY

Today's workforce is increasingly diverse in terms of personal characteristics such as race, ethnicity, gender, national origin, religion, gender identity, and sexual orientation. The "business case for diversity" suggests that such diversity in the workplace will lead to lower costs and/or higher revenues, improving the bottom line. Not surprisingly, employers have considered the economic benefits of adding lesbian, gay, bisexual, and transgender (LGBT)-supportive policies, including sexual orientation and gender-identity nondiscrimination policies and domestic partner benefits policies.

The present review identifies and evaluates all published research evaluating the impact of LGBT-supportive employment policies and workplace climates on business outcomes in order to answer two primary questions: 1.) Does research show that LGBT-supportive policies bring about the specific benefits mentioned by private companies that enact them, or are they associated with other similar economic benefits that may have an impact on the bottom line?; 2.) If LGBT-supportive policies bring about certain benefits, does research show that these benefits actually have an impact on the bottom line, and if so, is it possible to estimate that effect in quantitative terms?

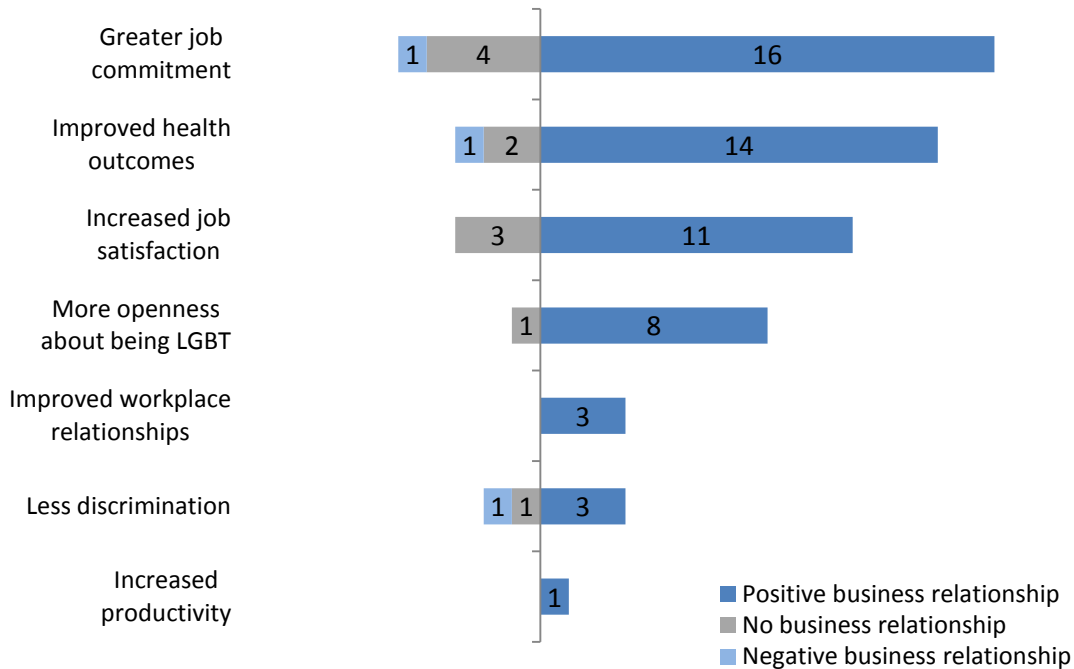
In total, this study reviews 36 research studies that include findings related to the impact of LGBT-supportive policies or workplace climates on business outcomes. We conclude that this body of research supports the existence of many positive links between LGBT-supportive policies or workplace climates and outcomes that will benefit employers. However, none of the studies provides direct quantitative estimates of the impact on the bottom line.

More specifically, the existing set of studies demonstrates that LGBT-supportive policies and workplace climates are linked to greater job commitment, improved workplace relationships, increased job satisfaction, and improved health outcomes among LGBT employees. Furthermore, LGBT-supportive policies and workplace climates are also linked to less discrimination against LGBT employees and more openness about being LGBT. Less discrimination and more openness, in turn, are also linked to greater job commitment, improved workplace relationships, increased job satisfaction, improved health outcomes, and increased productivity among LGBT employees.

Figure 1 presents the number of studies finding that employers' LGBT-supportive policies and workplace climates lead to positive business outcomes compared to the number of studies that find a negative relationship or no relationship to business outcomes. As shown in the figure,

most studies find a positive relationship between LGBT-supportive policies or workplace climates and business-related outcomes, while few or none find a negative or no relationship.

Figure 1: Number of studies showing relationship between LGBT-supportive policies or workplace climates and economic outcomes



We assess the strength of each of the proposed associations between LGBT-supportive policies or climate to workplace outcomes by taking into account the number of studies supporting a particular link, the quality of studies supporting the link, and number of studies that did not support the link. These findings are also summarized in Figure 2.

- *Strongest finding:* LGBT-supportive policies or workplace climates are most strongly linked to more openness about being LGBT.
- *Fairly strong findings:* We see fairly strong links between LGBT-supportive policies and workplace climates to less discrimination, improved health outcomes, increased job satisfaction, and greater job commitment.
- *Findings from a small number of studies:* Other possible links between LGBT-supportive policies or workplace climates and improved workplace relationships, health insurance costs, creativity, and stock prices are not yet strong due to the small number of studies that assess these relationships.
- *No studies:* We have found no studies assessing possible links between LGBT-supportive policies or workplace climates and falling litigation costs, increased public sector customers, more individual consumers, and improved recruitment and retention.
- *Connection to other research on business outcomes:* Other research finds that these business outcomes, which are influenced by LGBT-supportive policies or workplace

outcomes, lead to higher productivity and lower costs for employers, which in turn would enhance business profitability.

Figure 2: Strength of relationships in the research

We make several recommendations about directions for future research:

- Recruit more racially and ethnically diverse samples of LGBT people.
- Recruit larger samples of bisexual men and women and transgender employees.
- Use more direct measures of business outcomes, such as productivity and profit measures.
- Employ a wider range of sampling methods and research designs.

Finally, researchers and business officials should collaborate to fully utilize data collected by employers and to make findings available to policymakers, the public, and other businesses.

<b>Strong Associations with:</b> Greater Disclosure in the Workplace
<b>Fairly Strong Associations with:</b> Less Discrimination at Work Better Health Higher Job Satisfaction Higher Job Commitment
<b>Possible Associations with:</b> Organizational Citizenship Behaviors Improved Co-worker Relationships Lower Insurance Costs Increased Creativity & Innovation Improved Stock Prices
<b>Unknown Associations with:</b> Lower Litigation Costs Increased Customer Base Greater Recruitment