



# The evolution of LGBTQ+ inclusion: Building cultures of greater acceptance and stronger communities

While progress has been made on building inclusive and supportive cultures for LGBTQ+ talent in the workplace, further work is needed. In our interviews with four leading executives, they discussed four key practices that can help make this a reality.

Since the birth of the modern gay rights movement at Stonewall, an uprising against police raids and brutality by patrons of The Stonewall Inn in New York City, more than 50 years ago, LGBTQ+ individuals have made considerable advances in securing equal rights, greater social visibility, and acceptance and equality in the workplace. However, there is still significant discrimination—and, in many countries, discriminatory laws—aimed toward the LGBTQ+ community. Human Rights Watch reports that “at least 68 countries still have national laws criminalizing same-sex relations between consenting adults” and “at least 9 countries have national laws criminalizing forms of gender expression that target transgender and gender nonconforming people.” The legal punishments can vary, but in some countries they include life imprisonment and even the death penalty.<sup>1</sup>

Even in countries where it’s illegal to discriminate against LGBTQ+ people, they continue to face significant challenges in the workplace. Being open about their orientation, especially as they move into leadership roles; feeling confident they can advance their careers; and finding workplace cultures that are truly inclusive are still not the default scenarios. Research by the Organisation for Economic Co-operation and Development (OECD) found that gay applicants in OECD countries are about 50% less likely to be invited to a job interview than their straight counterparts; they earn, on average, 4% less than their heterosexual peers; and they are 11% less likely to hold a high managerial position.<sup>2</sup> No wonder LGBTQ+ people are reluctant to be out at work—there are only a few out LGBTQ+ CEOs in the Fortune 500,<sup>3</sup> and a 2021 study from UCLA’s Williams Institute found that 1 in 10 LGBT workers experienced discrimination at work in the last year, LGBT employees of color were more likely to report verbal harassment, and that many LGBT employees reported engaging in “covering” behaviors to avoid harassment or discrimination at work.<sup>4</sup>

However, there are also clear signs of progress. Companies are recognizing the need to support LGBTQ people by creating and championing inclusive cultures—and are actively finding ways to do so. Open for Business—an LGBTQ research and advocacy group—has found that LGBTQ-inclusive organizations are better at retaining and attracting talent, building brand strength and customer loyalty, and innovating, all of which are correlated with stronger financial performance.

1 “#Outlawed: The love that dare not speak its name,” Human Rights Watch, [hrw.org](https://www.hrw.org).

2 OECD, *Society at a Glance 2019: OECD Social Indicators*, March 2019, [oecd.org](https://www.oecd.org).

3 Beth Kowitz, “The latest female CEO in the Fortune 500 breaks a new barrier,” *Fortune*, July 26, 2018, [fortune.com](https://fortune.com).

4 Brad Sears, Christy Mallory, Andrew R. Flores, and Kerith J. Conron, “LGBT People’s Experiences of Workplace Discrimination and Harassment,” UCLA Williams Institute, September 2021, [williamsinstitute.law.ucla.edu](https://williamsinstitute.law.ucla.edu).

These organizations saw better share price performance, higher return on equity, higher market valuations, and stronger cash flows.<sup>5</sup> These findings make intuitive sense: when people don't need to lead both an out personal life and a closeted professional one, they have more freedom and energy to be creative, problem solve, collaborate, and lead and inspire others. For many, the psychological and emotional toll of projecting dual identities can negatively impact their mental health, performance, and career.

Recent research by Heidrick & Struggles found that 51% of companies surveyed currently include LGBTQ+ status as one of the dimensions of their diversity, equity, and inclusion (DE&I) policies, 71% think that will be the case three years from now.<sup>6</sup>

So what do leaders need to know about what an inclusive culture looks like—and how do they get there? Our work and interviews with leading LGBTQ+ executives suggest that organizations should focus their efforts on four critical areas: authentic leadership, inspired and engaged communities, robust networks of allies, and honest discussions.

## Authentic leadership

Creating an environment where authenticity flourishes starts with all leaders being themselves, encouraging others to be authentic, and creating a safe and open work culture. Role models in leadership positions play a crucial role in inspiring others to aim high. "Authenticity is a gift that is given to others, when they feel comfortable to show who they really are," says Mastercard's chief inclusion officer, Randall Tucker. "You have to feel comfortable, and you have to feel valued and welcome within the organization in order to be authentic. It doesn't serve us if we have people in the LGBTQ community not sharing their authentic selves, because we're missing out on their ability to better problem solve and innovate because they weren't able to share aspects of themselves."

That said, the decision for leaders to share their whole selves and stories is highly emotional, and it is natural for people—even out LGBTQ+ leaders—to have different strong opinions about the moral imperative of coming out at work. Damian Smith, former chief diversity and inclusion officer at Societe Generale Americas and now senior vice president, Inclusion and Talent Management, at Dow Jones, says, "If you are a senior leader and you're in the LGBTQ population, you have an obligation to make sure you are really open and honest about who you are. I don't personally understand how you can be a senior person in an organization and hide parts of your identity but then expect your employees to live up to a culture of inclusion and certain values that you don't want to live up to."

However, while Krista Hill, co-head of the infrastructure and energy practice at Canadian law firm Torys, considers it her responsibility to be out and to be a role model because of her leadership role, she stresses the personal dimension of that choice: "I do think people shouldn't judge themselves or judge each other, because people are moving at different paces," she says. "That's something that I think is imperative just for your own mental health. The last thing you want to do is go home at the end of the day and feel bad about yourself."

In addition to the positive effect that prominent role models can play in creating an inclusive culture, failing to have them can mean losing talent. "You might have a large talent pipeline of people with different affinities, but the further up they move, if they don't see other people like them, either in their environment or in senior roles they aspire to, then they'll leave," Smith says. Out executives such as Stacey Friedman, general counsel at JPMorgan Chase; António Simões, Regional Head of Europe and CEO Santander Spain, Banco Santander; and Jim Fitterling, CEO of Dow, have been vocal about their decision to be out at work and actively advocate for the community and LGBTQ+ inclusion.

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<sup>5</sup> Jon Miller and Lucy Parker, *Strengthening the Economic Case*, Open for Business, January 2018, pp. 66–74, [open-for-business.org](https://open-for-business.org).

<sup>6</sup> Heidrick & Struggles' DE&I survey, March–April 2022, report forthcoming on [heidrick.com](https://heidrick.com).

# Inspired and engaged communities

An inclusive environment typically requires a foundation of interconnected, supportive communities that are empowered through executive sponsorship and become nimble enough to respond to each group's needs.

This bottom-up approach to inclusion is the flip side of authentic leadership. Typically, more junior individuals are given the opportunity to organize employee resource groups (ERGs), set agendas, and establish relationships with more senior sponsors to create enduring and robust communities. Damian Smith explains that, at Societe Generale, "We invest in our employee resource groups because we want to empower them, we want to give them authority and autonomy. This has really created a lot more engagement in our employee base because they don't feel like it's something that they're being forced to talk about." An equally important element is executive sponsorship and aligning the DE&I mission and goals to the organization's overall strategy,<sup>7</sup> which shows a commitment to inclusion and ensures the groups are empowered enough to enact change.

Another critical element of building an inclusive environment is the encouragement of different ERGs to support one another. Not only does this inspire more varied allies, but it also engenders a greater level of empathy and mutual support among different people who are building on a common desire to shape an inclusive working environment. Leng Montgomery, former diversity and inclusion manager at BDO UK and now a senior DE&I consultant at Charlotte Sweeney Associates, points out that it's powerful and engaging for LGBTQ+ groups to advocate for other communities. "When I hear LGBTQ groups say they have so few allies, but then I find out they haven't really shown up for others' initiatives, I wonder how you expect to have allies yourself if you're not displaying the same behaviors," he says. "I find it really empowering just to step back and listen more to others," he continues. "It really opened my eyes to a different perspective on the world and also helped me to make better decisions in a professional setting and understand people that I've worked with a lot more."

Randall Tucker imagines progressing community support—especially to address intersectionality—to a place where people come together to discuss ideas as opposed to focusing on rigid identities. He says, "I wish in the future we get to a place where we're not putting people in categories but rather coming together around topics of discussion. At Mastercard, we encourage each of the employee resource groups to partner with each other on one or two activities. If you're calling out just one thing, a lot of people feel like it's not for them, so as much as possible we encourage people to connect with others on themes. That's when you get greater participation."

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Senior DE&I consultant,  
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<sup>7</sup> Heidrick & Struggles' research on diversity and inclusion found that one differentiating factor in whether companies see a large contribution to business success from DE&I efforts is a linkage between DE&I goals and business strategies. See Krishnan Rajagopalan and Lyndon Taylor, *Meeting the Inclusion Imperative: How leaders can link diversity, inclusion, and accelerated performance*, Heidrick & Struggles, [heidrick.com](https://heidrick.com).

## Robust networks of allies

While the role of an LGBTQ+ ally can vary, generally such people are vocal advocates who understand and continue to learn about issues facing the community, as well as offer a safe space for LGBTQ+ people to discuss issues they're facing at work or more broadly.

Allies encourage greater collaboration, inspire empathy, ensure support extends beyond the LGBTQ+ community, and provide opportunities for others to learn about issues impacting the community. The conventional role of the ally is extremely valuable, as it extends visible support at pride events and offers safe spaces to talk. But there are other approaches that can encourage a deeper level of support and engagement.

One important and less discussed approach allies can take is reverse mentorship. Putting junior employees in the role of a mentor to senior leaders presents an opportunity to educate and empower on both sides. When it comes to LGBTQ+ progress, the disconnect can be generational, and senior leaders might not be as engaged purely because they don't know how to help or don't necessarily understand what affects the community. Connecting them to younger leaders or other employees who have clearly expressed a deep interest in supporting the LGBTQ+ community and expect their companies to champion them helps to build a bridge. It also gives people in the LGBTQ+ community a chance to influence or connect to a leader who can help their career. Torys' Krista Hill notes the importance of this dynamic: "Statistically, I think it's no surprise that people in leadership roles are much more likely to be men, much more likely to be white, and much more likely to be non-LGBTQ," she says. "This type of reverse mentoring can help educate people on what issues others are facing."

Expanding the definition of an ally to include mentors or role models—and clearly articulating the responsibilities that entails—can also help ensure allyship works for specific companies and their employees' needs. Charlotte Sweeney's Leng Montgomery observes that often people presume that a mentor must be "someone like you," but for many LGBTQ+ individuals, that's not always possible, so a hybrid of an ally and a mentor can be a beneficial relationship. He says, "To me, when it comes to role models, their style and behavior as a leader is what inspired me: how they put things across, or how they can be bold but still have attributes that I respect."

Broadening the role of the allies and bringing mentorship into the mix could open up the potential for greater engagement and support for all ERGs.

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## Honest discussions

The stress of discrimination and the ongoing battle for equal rights can be overwhelming for the LGBTQ+ community and many other minority groups. Thus it's crucial for leaders to engage in and support honest discussions that make it clear to members of the community that they're supported, that work is a place where they can excel, and that they have a voice. Leaders who set that tone also encourage a more empathetic and open workplace overall, one where employees can work together to confront challenges and share ideas. It also means creating a way for people—especially allies and potential allies—to learn. To be able to ask difficult questions, to be able to understand the sensitivities, and to find ways to grow together.

Says Dow Jones' Damian Smith: "In terms of leaders creating an environment of trust and dialogue, what I've found to be really helpful has been to start pushing those more uncomfortable conversations, getting leaders used to talking about issues that they haven't had to talk about before in a real open and honest environment, and also giving others license to ask difficult questions that they may not have felt comfortable asking." Though these conversations can be difficult, they help leaders to understand—far more broadly than individual mentoring relationships can—what communities are facing and, in turn, to create solutions that will truly help them.

It's also important to have avenues for employees to discuss issues together. Instances of workplace discrimination, ongoing battles for LGBTQ+ inclusion, and a tumultuous political environment where LGBTQ+ rights seem precarious can weigh heavily on people in the LGBTQ+ community and potentially affect their safety. Events such as summits, awareness days, and meetings can encourage all employees to talk about these challenges. Often it will be the first time people outside of the community are encountering issues like these. Krista Hill recalls: "Last year at Torys, we had a trans-inclusion speaker come in, and that was a perfect example of where a lot of people wanted more information to be able to understand trans issues more but didn't necessarily have access to it. I think people came away feeling that they learned just enormous amounts of great information."

Such discussions also offer support for individuals struggling with how much of their identity to share or being out with coworkers, something that can be unique to the LGBTQ+ experience. Learning how others navigated the situation and having an encouraging network can be immensely helpful for people trying to be out at work.

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## Taking the next steps: Questions for leaders

Each organization needs to create a unique inclusive environment for its LGBTQ+ community, tailored to its specific blueprint, culture, and strategy. A few fundamental questions can help set the direction:

- ☐ How clearly and widely are your company's DE&I policies **communicated**?
- ☐ How **aligned** is your DE&I strategy with your business goals?
- ☐ How do you **measure** progress toward LGBTQ+ inclusion, and DE&I more broadly?
- ☐ How do you assess the contribution of your progress toward DE&I goals to your **business success**?
- ☐ How do you ensure that the LGBTQ+ community has a **voice** in your organization?
- ☐ Does the LGBTQ+ community have a platform to **engage and inspire**?
- ☐ Does the LGBTQ+ community have access to the appropriate **support** in the workplace to manage issues such as harassment, mental health, or coming out at work? Do those with people management responsibilities have the appropriate knowledge and training to support LGBTQ+ people?
- ☐ Does your company act as an **advocate** for the LGBTQ+ community?
- ☐ Does your company **walk the talk**? Do your healthcare benefits address the needs of the LGBTQ+ employees? Does your company's position on social issues align with the realities and sensitivities of your LGBTQ+ employees?





## Conclusion

Looking ahead, there are still many challenges confronting the LGBTQ+ community. Hard-earned rights are unfortunately not always permanent, which means that nurturing and reinforcing them are crucial—and companies are in a good position to support this. Doing so requires bold leadership, but the benefits to talent and to a healthier, more productive culture are manifold. Promoting authenticity, encouraging robust employee communities and relationships with allies, and fostering open dialogues on important issues all are ways to create a more inclusive environment for LGBTQ+ people. Mastercard's Randall Tucker summarizes the great potential ahead: "I think it's just time for the LGBTQ community to shine and to be seen as valuable in organizations to problem solve, to innovate. Because, as we all know, the best talent doesn't come in the same wrapping."

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**Heidrick & Struggles' Diversity, Equity & Inclusion Practice helps our clients recruit, build, and develop inclusive leaders and diverse organizations that encourage the exchange of ideas and drive innovation.**

At Heidrick & Struggles, we know that an inclusive culture, with a balanced, diverse leadership team and workforce, can strengthen an organization's ability to thrive and grow, bringing together different perspectives and fresh ways of thinking to drive future opportunities.

Our Diversity, Equity & Inclusion Practice brings together our highly experienced consultants (across executive search, leadership assessment and development, organization effectiveness, and culture shaping) to help companies integrate their diversity and inclusion (DE&I) initiatives into their broader talent and business strategies to accelerate performance and outperform their peers.

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