Corporations and individuals are increasingly embracing LGBT status as an emerging career asset. Yet, despite advances in workplace acceptance, 41 percent of American lesbian, gay, bisexual and transgender (LGBT) workers remain closeted at the office. Given the increased productivity and lower turnover rates of “out” workers, multinational organizations have a bottom-line incentive to create a workplace where LGBT workers feel accepted, valued and comfortable being who they are.

This latest CTI research quantifies the benefits of a truly inclusive workplace to both employers and employees. Being open about their sexual orientation or gender identity gives LGBT professionals access to unique business opportunities and platforms on which to exercise their leadership. In addition, out employees are better able to gain the attention and advocacy from their superiors and leverage their LGBT status internally to obtain sponsorship. Those with sponsorship have a significantly higher rate of work satisfaction and are less likely to feel stalled in their career. Finally, being out magnifies the visibility of LGBT professionals to clients and consumers specifically seeking the outlook and expertise of a company that values diversity.

What makes work a place where LGBT talent can thrive? Allies—people who support or work as LGBT advocates—play a decisive role, we find, in creating an open community where individuals are comfortable being themselves. In fact, 24 percent of LGBT workers attribute their decision to come out professionally to a strong network of allies. The ongoing challenge, although the ally phenomenon is widespread and growing (70 percent of men and 83 percent of women consider themselves allies), is that only 8 percent of men and 19 percent of women qualify as “active allies.” The opportunities for companies to build more engaged allies are tremendous.

Despite this progress, however, workplace discrimination and its ripple effects remain daunting hurdles for many LGBT individuals. In 29 states it is still legal to fire someone based solely on their sexual orientation, and in 34 states it is legal to fire a transgender employee. Subtle comments, jokes, or assumptions continue to create an environment where people are afraid to be out at work: 28 percent of Caucasians and 43 percent of professionals of color feel that homophobic people are common in their workplace. LGBT women are more likely than men to experience discrimination because of the “double jeopardy” of gender as well as sexual or gender orientation (74 percent of lesbians compared with 51 percent of gay men). As a result of these pressures, LGBT individuals sometimes continue to resort to the tactic of “passing” as heterosexual. Some 23 percent of men and 15 percent of women believe that passing at work—pretending to be in a heterosexual relationship; changing mannerisms, voice, or clothing; or hiding LGBT friendships—has helped their career.
For organizations to thrive, they must foster an environment that enables their LGBT employees to thrive. Culture change begins by understanding what LGBT talent really values in an organization. Our study shows that 77 percent of LGBT job seekers take into account a company’s LGBT-friendly benefits and 70 percent evaluate a company’s reputation in the LGBT community. The level of benefits a company offers, as well as the degree to which employees are aware of available benefits, also affects the likelihood of whether an employee chooses to be open about his or her sexual orientation or gender identity. While many companies excel at publicizing pro-gay policies and positions externally, there’s an ongoing need for company leaders, HR officers, and succession planners to publicize and act on them internally. But equally, if not more important, to the success of LGBT employees is the underlying organizational culture of these companies. Rules, regulations, policies and procedures can only go so far, as evidenced by 41 percent of employees still remaining closeted despite progress on LGBT-friendly policies. If employees are unaware of LGBT-friendly benefits for them and their partners, or if the local “on the ground” culture of their particular office is led by LGBT-unfriendly (or LGBT-neutral) senior management, they may elect to remain closeted—denying their employer as well as themselves the full realization of their potential.