Economic and Social Benefits of LGBT-Supportive Policy in the Workplace

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Abstract
Many members of the LGBT community continue not to be protected by basic policies in the workplace that prevent discrimination due to their sexuality. Research consistently indicates that non-discrimination policies including sexual orientation and gender identity are beneficial to the entire organization, ultimately improving the company’s bottom line. These policies provide a diverse workforce that tends to have lower turnover rates, be more innovative, and consequently more productive. By adopting queer-friendly policies, corporations allow LGBT employees to be more open in the workplace and reduce psychological strain felt by these individuals, improving their performance. As the American culture changes to a more LGBT-friendly society, many companies are seeing the economic benefits that can arise from generating the LGBT marker’s buying power.

Discrimination in the Workplace
For employees who are LGBT, many are dependent upon the companies for which they work in order to voluntarily implement policies that protect them from risks in the workplace due to the failures of federal and state-wide policies (Underhill, 2015). As of 2015, over half (52%) of LGBT workers lived in a state that did not provide anti-discrimination measures for individuals based upon sexual orientation or gender identity (Hollibaugh & Weiss, 2015). Nevertheless, the introduction of ENDAs at a state level has provided much greater exposure and sparked a larger discussion surrounding discrimination on the basis of sexual orientation (Gao & Zhang, 2016). In order to understand the discrimination that is witnessed by an employee, it is vital to be familiar with the various ways in which discrimination can occur. The primary types of discrimination that are witnessed by this community are anti-discrimination and treatment discrimination. These two forms of discrimination are not limited to the queer community but are oftentimes experienced by society in general, making this a larger, more general issue.

Identity Management Strategies
The full understanding of the queer experience, it is important to consider how these various means through which most LGBT individuals portray their sexuality, oftentimes dependent upon the situation in which they are placed and the level of social support they receive. The first strategy is counterfitting a false heterosexuality or identity, whereas the individual will act as he or she is heterosexual. This identity strategy can go as far as to make up a heterosexual partner or relationship in order to dispel any perception that the individual is homosexual (Button, 2001).

For individuals, consequently, who are queer, adopting queer-friendly policies or corporate policies are not enough to change the experience of the LGBT individual. This is especially true for the experience of LGBT individuals in the workplace, as the workplace is often the first place that is likely to be exposed to the wide array of discrimination that they experience. These policies and corporate policies are often not enough to change the inexperience of the queer individual, as it is vital to be familiar with the various ways in which discrimination can occur. Using the queer individual as an example, it is vital to be familiar with the various forms of discrimination that can occur. The first form of discrimination that often occurs is that of anti-discrimination. As an example, implicit, anti-discrimination relates to members of a group being prevented from accessing a job, organization, or so on (Button, 2001). In other words, it prevents the employee’s entrance into the workplace itself (Perry et al., 2000).

Consequently, treatment discrimination occurs when the individual has managed to enter the workplace (Perry et al., 2000). This form of discrimination takes place when individuals receive fewer incentives or opportunities in the workplace because of their membership in a specific group. Examples of such discrimination include being overlooked for promotions, lack of opportunities provided to advance, or denial of access to resources needed to complete the job (Button, 2001).

In general, some strategies have been developed to help deal with each category of discrimination. What is essential to understand, however, is that sexual orientation discrimination does not solely occur for individuals who are actually part of the LGBT community. Discrimination is largely based on the perception of others and is not on actual sexual orientation (Gao & Zhang, 2016). Simply, if an individual is perceived to be gay because he or she demonstrates behaviors that are stereotypically associated with the stereotype of gay individuals, then he or she is likely to be subjected to the same exact discrimination to which an individual who identifies as gay would be subject.

Impact of Policies at a Corporate vs. State Level
ENDAs and non-discrimination policies can be enacted at various stages, from federal to state to organizational/collective levels. Some research has been conducted on where these policies are most effective for not only combating discrimination for minorities but also benefiting the company itself. While state-level ENDAs are beneficial, it has been noted that such policies are more effective at the corporate level. Employers who were surveyed found that those covered by a workplace non-discrimination policy were less likely to experience workplace discrimination (Badgett et al., 2013). Supporting this claim, the perceived organizational support theory proposes that employees of a company feel more supported when the organization for which they work demonstrates a genuine concern for well-being. Pichler et al. (2013) suggest that when a company voluntarily adopts such policies, it is viewed as a stronger signal of care and support for the LGBT community. The action is perceived to be more genuine than when mandated by the state.

Benefits of LGBT-Supportive Policies on Employers
While many companies hesitate to implement LGBT-inclusive policies and provide benefits to these employees and their partners, there is a growing amount of evidence suggesting that these policies as a whole are good for business. A 2011 study found that nearly 92% of the top 50 Fortune 500 companies indicate that diversity policies coupled with benefit packages are good for their business (Badgett et al., 2013).

Recruitment and Retention

When examining the benefits of LGBT-supportive corporate policies, the most often cited benefit is in the area of recruitment and retention, not only of LGBT workers but also of heterosexual workers. Logically, by promoting a workplace of inclusivity and equal opportunity, the company will be better able to not only recruit but also retain employees. As a result, these companies will have a wider, more diverse employee base, allowing for the firm to be more competitive in its respective field (Seas & Mallory, 2011).

Ideas and Innovation

Applying the understanding that queer-supportive policies allow for the recruitment and retention of a more diverse and more educated population, it is logical then that such policies would allow for companies to have an increase in ideas and innovation. Utilizing census data in the United States as a foundation, several studies have found trends that may be surprising to the general public. Primarily, heterosexual and LGBT individuals tend to be better educated than heterosexuals, as well as the inverse: those who are more intelligent tend to engage in homosexual behavior. Additionally, those who are supportive of the LGBT community tend to maintain characteristics such as being more open-minded, tolerant, and risk taking, which are positively associated with increased levels of creativity and innovation levels (Gao & Zhang, 2016).

Organizational Citizenship Behaviors

A commonly utilized method of measuring the engagement of employees is through organizational citizenship behaviors (OCBs), which are voluntary behaviors that on a larger scale benefit the organization. These behaviors do not have a direct reward or recognition for the employee but instead are an aspect of the employee’s own volition (Xiong & Wen, 2020). A large amount of research has been conducted on OCBs as they are strong indicators of organizational performance (Brenner et al., 2010). This trend is largely reflective of the individual increase in productivity that is demonstrated by the employees who engage in such behaviors. In other words, the presence of higher OCB levels in employees correlates with higher levels of productivity in these employees (Badgett et al., 2013).

Employee Productivity

While the correlation between the introduction of a non-discrimination policy on the basis of sexual orientation and employee productivity is often not directly linked—as it is highly difficult to conduct a study that isolates this specific variable—an increase in various employee metrics lends itself to a rise in productivity levels. As discussed previously, including a non-discrimination policy can allow queer individuals to be more open about their sexual identities in the workplace, which ultimately allows them to participate in more OCBs. Since OCBs are correlated with productivity, one can draw the conclusion that the increase of non-discrimination policies therefore increases productivity.

Access to Additional Jobs and Contracts

Although a smaller component of the business rationale for extending non-discrimination policies to include sexual orientation and gender identity, several businesses have praised the benefits associated with access to additional jobs that they previously would have been unable to obtain. Namely, many public sector jobs require that contractors include non-discrimination policies in place protecting these from discrimination based on sexuality or gender identity in order to bid on a contract (Badgett et al., 2013).