

# Impact of LGBT-supportive Workplace Policies on Productivity

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## ABSTRACT

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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 non-discrimination policies and domestic partner benefits policies. The present study identifies and evaluates the impact of LGBT-supportive employment policies and workplace climates on business outcomes in order to answer two primary questions:

1. Whether Company is seriously adopting the non-discriminatory policies for LGBT and/or taking appropriate action towards supporting it
2. Does LGBT-supportive policies will create an environment that is conducive for enhancing productivity ?

Simple Random Sampling is used to collect data from people from LGBT community working in several sectors of Corporates within Mumbai region. Out of 100 samples , 75 responses have been collected . Care has been taken to collect data from the entire research universe. We conclude that this research supports the existence of many positive links between LGBT-supportive policies or workplace climates and outcomes that will benefit employers. However, studies does not provide provides direct quantitative estimates of the impact on the bottom line. More specifically, research demonstrates that LGBT-supportive policies and workplace climates are linked to greater job commitment, improved workplace relationships, increased job satisfaction 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, and increased productivity among LGBT employees.

**Key words:** LGBT , Non-discriminatory policies, supportive work place policies, openness/ open climate, discrimination , job commitment, workplace relationships , job satisfaction, productivity.

## 1. INTRODUCTION

### 1.1 LGBT

The LGBT community or GLBT community, commonly referred to as the gay community, is a loosely defined grouping of lesbian, gay, bisexual, and transgender (LGBT). Homosexuality is a feeling or desire involving sexual attraction to people of one's own sex. In common usage, the term homosexual is used to refer to both same-sex oriented males and females. The word 'Gay' is often used as a synonym for male homosexual behaviour while the term 'Lesbian' is referred to a woman who is sexually attracted to another woman. In terms of sexual

orientation of individuals, a bisexual person is sexually attracted to both men and women. Transgender is another category who is neither a complete man nor a complete woman and are 2 called 'Hijras' in Hindi and jovially referred to as 'neither here nor there'.

### 1.2 NON DISCRIMINATORY POLICY

An employment non-discrimination policy that explicitly bans discrimination on the basis of sexual orientation and gender identity ensures equal treatment for LGBTQ+ employees and also sends a welcoming message to LGBTQ+ job applicants,

helping the organization retain and recruit a diverse, talented staff. Including the terms “sexual orientation” and “gender identity or expression” in an employment non-discrimination policy underscores an employer's dedication to workplace equity. It is becoming commonplace for employers' non-discrimination statements to include the terms “sexual orientation” and “gender identity or expression”

### **1.3 SUPPORTIVE WORK PLACE POLICIES**

Diversity and inclusion (D&I) is more than policies, programs, or headcounts. Equitable employers outpace their competitors by respecting the unique needs, perspectives and potential of all their team members. As a result, diverse and inclusive workplaces earn deeper trust and more commitment from their employees. Diversity and inclusion are two interconnected concepts—but they are far from interchangeable. Diversity is about representation or the make-up of an entity. Inclusion is about how well the contributions, presence and perspectives of different groups of people are valued and integrated into an environment. An environment where many different genders, races, nationalities, and sexual orientations and identities are present but only the perspectives of certain groups are valued or carry any authority or influence, may be diverse, but it is not inclusive. A supportive work place policies means diverse and inclusive workplace is one that makes everyone, regardless of who they are or what they do for the business, feel equally involved in and supported in all areas of the workplace. The “all areas” part is important.

## **2. OBJECTIVE**

1. To find out existence of non discriminatory workplace policies and open climate in corporates
2. To find out the relationship between LGBTQ non – discriminatory policies and factors that contribute towards Productivity

## **3. HYPOTHESIS**

There is no significant relationship between LGBT Non- DISCRIMINATORY POLICIES AND PRODUCTIVITY

. There is significant relationship between LGBT Non- DISCRIMINATORY POLICIES AND PRODUCTIVITY

## **4. LITERATURE REVIEW AND**

## **POTENTIAL LINKS BETWEEN NON DISCRIMINATORY POLICIES AND BUSINESS OUTCOMES**

The various studies implies a causal relationship between diversity-respecting policies and employers' competitiveness in their product markets. To put it simply, for improved competitiveness and rising profits, either the costs of doing business fall or revenues rise. Unfortunately, no existing study uses any direct measures of costs or revenues as an outcome measure. Therefore, we first look for links between workplace policies and individual LGBT worker outcomes and organizational outcomes. We identify two primary possible individual outcomes, and eleven other secondary possible individual and organizational outcomes that have been suggested in the academic literature and in corporate discussions. Below we identify those outcomes with a lower-case letter. Since those outcomes are not measured in rupee terms of costs and revenue, the basic determinants of profit, we next look for evidence that the outcomes would have implications for costs and revenue. Diversity-respecting policies: Prior studies have evaluated different diversity policies, including LGBT-supportive policies, and measures of workplace climate. In this report, we focus on the effect of sexual orientation and gender identity non-discrimination policies or any more general measure of the workplace climate for LGBT people.

### **Individual outcomes**

LGBT-supportive policies and workplace climates might have several important effects on LGBT employees that will increase their productivity levels or retention rates (effects that would reduce employer costs and increase profits). At the most immediate level, these policies could result in

- (a) less discrimination and
- (b) increased openness (or less concealment) in the workplace about being LGBT.

Concealment of sexual orientation is associated with increased psychological distress (Pachankis, 2007) and poor immune functioning (Cole, Kemeny, et al., 1996; Cole, Taylor, et al., 1996), suggesting its importance as an outcome variable of interest. Those immediate primary effects, in turn, could have secondary effects on workplace-related outcomes through: c) Improved health outcomes d) Increased job satisfaction e) Improved relationships with co-workers and supervisors f) Greater commitment and other positive workplace behaviors and attitudes.

Those secondary effects are more closely related to potential reductions in employer costs. Job satisfaction, better health outcomes, and improved relationships could increase productivity. All four secondary effects could reduce turnover.

### Organizational outcomes

Diversity-enhancing policies also have organizational effects that could improve profits, both through lower costs and higher revenue, including: g) Lower health insurance costs (through c) h) Lower legal costs from litigation related to discrimination (through a) i) Greater access to new customers, such as public sector entities that require contractors to have non-discrimination policies or domestic partner benefits j) More business from individual consumers who want to do business with socially responsible companies k) More effective recruiting of LGBT and non-LGBT employees who want to work for an employer that values diversity l) Increased creativity among employees that could lead to better ideas and innovations m) Greater demand for company stock because of expected benefits of diversity policies

### Confounding factors

It is important to note that other aspects of an employer's environment might also influence how the policies result in changes in individual or organizational outcome measures. For example, firm size might matter, since larger firms might have more effective 7 human resource departments. Industry could matter, since if competitors also have LGBT supportive policies, prospective employees might have other good options for employment, reducing the benefits of the diversity policies by lowering their value as a unique workplace incentive. There are many other potential factors, including the employer's location, the existence of state or local non discrimination laws, and employee awareness of policies, that should be taken into account in studies that ask whether policies lead to better business outcomes.

## 5. RESEARCH METHODOLOGY

1. Current study is of descriptive, analytical in nature  
2. Primary data collection: Primary data collected through structured questionnaire and observation method. Seven-point scale (1- Extremely Strongly Disagree, 2- Strongly Disagree, 3- Disagree, 4- Neutral, 5- Agree, 6- Strongly Agree, 7- Extremely Strongly Agree) is used to measure questionnaire

responses.

3. Sampling Method and sample size: Simple Random Sampling is used to collect data from employees of corporates who belong to LGBT community located in the Mumbai region. In total 100 respondents were selected , out of which 75 responses were fully recorded. Care has been taken to collect data from the entire research universe. All the LGBT employees are located in different areas of Mumbai District.

4. Analysis and Hypothesis testing: Analysis has been carried out using responses without using any statistical method of correlation and regression. The questionnaires were framed in such a way that it helps in concluding the consecutive direct impact of non-discriminatory policies on various primary outcome and successively the impact of primary outcome on secondary outcome and hence the productivity.

## 6. RESULTS

### (a) Less discrimination (3:1:1)

Research studies shows relationship between LGBT-supportive policies or workplace climates and discrimination

Policy/climate → less discrimination



■ Positive Relationship

■ Negative

■ No relationship

Research suggests that LGBT employees experience less discrimination when their employer has a non discrimination policy that includes sexual orientation and gender identity.

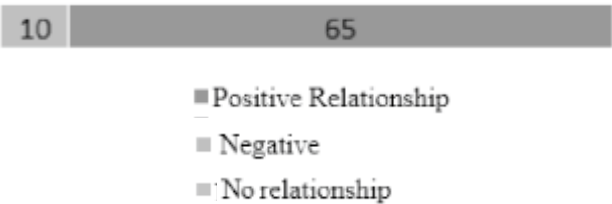
(a) Increased openness (or less hiding) in the workplace about being LGBT

Research shows relationship between LGBT-supportive policies or workplace climates and openness about being LGBT

**(b) Increased openness (or less hiding) in the workplace about being LGBT**

Research shows relationship between LGBT-supportive policies or workplace climates and openness about being LGBT

Policy/climate → more openness



**LGBT-supportive policies Increased openness about being LGBT**

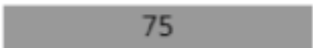
Research indicates that LGBT-supportive policies can create a workplace climate where employees feel comfortable enough to disclose their sexual orientation and gender identity. Four studies have found that LGB people are more likely to disclose their sexual orientation

**SECONDARY EFFECTS FOR INDIVIDUALS IN THE WORKPLACE**

**( C ) Improved health and well-being outcomes**

Figure : shows relationship between LGBT-supportive policies or workplace climates and health outcomes

Less discrimination → improved health outcomes



More openness → improved health outcomes



**LGBT-supportive policies Improved health and well-being outcomes**

Study have found that employees covered by LGBT-supportive policies are psychologically healthier than those who are not covered by these policies. Studies show that these policies can have broader effects on employees' well-being outside of the workplace, as well as work-specific effects.

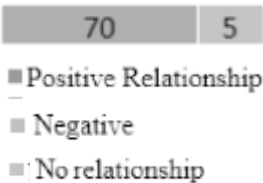
**(d) Increased job satisfaction**

Figure showing relationship between LGBT-supportive policies or workplace climates and job satisfaction

Less discrimination → increased job satisfaction



More openness → increased job satisfaction



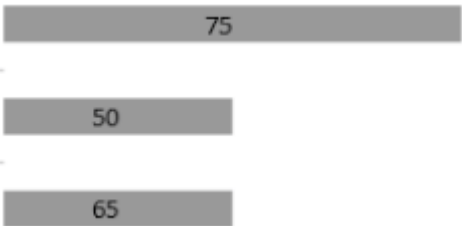
**LGBT-supportive policies Increased job satisfaction**

Study have found that LGB employees who are covered by a non-discrimination policy are more satisfied with their jobs than employees who are not covered by a policy.

**( e )Improved relationships with co-workers and supervisors**

Figure showing relationship between LGBT-supportive policies or workplace climates and relationships with co-workers and supervisors

Less discrimination → improved relationships  
More openness → improved relationship  
improved relationships → increased productivity

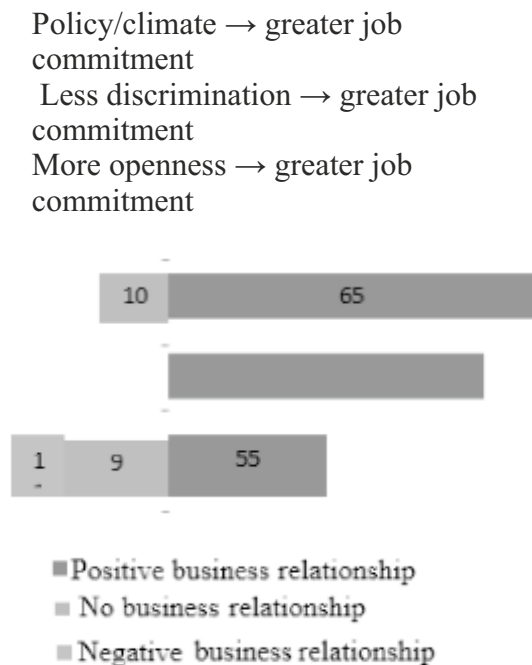


**LGBT-supportive policies Improved relationships with co-workers and supervisors**

Research has shown that LGB employees who are covered by LGBT-supportive policies are more likely to be socially and altruistically engaged in the workplace.

**(f) Greater commitment and other positive workplace behaviors and attitudes**

Figure showing relationship between LGBT-supportive policies or workplace climates and job commitment and other positive workplace behaviors and attitudes



***LGBT-supportive policies Greater commitment and other positive workplace behaviors and attitudes***

Studies have found that LGBT employees are more loyal to employers that have LGBT- supportive policies.

**EFFECTS ON ORGANIZATIONAL OUTCOMES**

In previous sections, I demonstrated evidence that LGBT-supportive policies and workplace climates are associated with positive changes for LGBT employees, including increased job satisfaction, better psychological health, and greater engagement with coworkers. I next consider the impact of these policies on higher-level organizational change. It is important to note that little research exists directly relating LGBT-supportive policies to macro-level organizational change. However, in an effort to provide a more comprehensive review of the potential costs and benefits of adopting such policies, I outline several proposed theoretical relationships.

**(a)** Changes in health insurance costs (through (c))

above, and direct changes)

Extending benefits to the LGBT employees in view of non-discriminatory policies will bring about lower health outcome which directly results into no insurance related cost to organisation. However if a company extends health insurance cover to LGBT employees or same sex partner, the cost might get increased with its effect on productivity is more as mentioned in (f) i.e; greater commitment.

**(b)** Lower legal costs from litigation related to discrimination (through (a), above)

The implementation of LGBT-supportive policies may serve to bring a company in-line with existing central or state regulations or local ordinances. In doing so, a company may shield itself from legal costs associated with compliance lawsuits, an issue of concern to many employers. However, estimating the costs of addressing compliance issues is challenging and accurate data is missing. But the evidence of less discrimination with LGBT policies will surely leads to low dissatisfaction among employees and hence lower litigation cost.

**(c)** More business from individual consumers who want to do business with socially responsible companies

A possible outcome of adopting LGBT-supportive workplace policies is a change in the way a company is viewed by those external to the organization, most notably customers and potential new employees. For example, an experimental study by Tuten (2005) evaluated consumers' reactions to a company that was described as having “gay-friendly” policies, and to a company that was described as lacking “gay-friendly” policies

**(d)** More effective recruiting of LGBT and non-LGBT employees who want to work for an employer that values diversity

***LGBT-supportive policies More effective recruiting of LGBT and non-LGBT employees***

Having LGBT-supportive policies may have a similarly positive impact on the recruitment of non-LGBT employees. In the 2006 Harris poll, 72% of non-LGBT respondents said that, when deciding where to work, it was important that an employer have

an LGBT-inclusive nondiscrimination policy, and 79% said that it was important that an employer offer equal benefits (Out & Equal, Harris Interactive, & Witeck Combs Communications, 2006).

## EVALUATION OF LIMITATIONS

Effect sizes found among the current set of studies were generally small and the presence of LGBT-supportive policies accounted for only a limited amount of the variance in outcome measures. This indicates that there are likely other factors impacting employee attitudes, employee behaviors, and a company's bottom line, and that LGBT-supportive policies such as nondiscrimination and benefits policies are only part of what influences the work experiences of LGBT employees

Another limitation among the studies reviewed for this report is the use of self-report questionnaires as the most frequently used method of assessment. While the use of self-report questionnaires is common to much of social science research and may adequately measure constructs such as work-related attitudes, research on LGBT-supportive workplace policies using this type of methodology relies on participants' accurate knowledge of the presence of these policies. Importantly, participants in studies assessing the presence of nondiscrimination policies and/or domestic partnership benefits either did not know or were not sure of whether such policies existed at their organization, a finding which calls into question the reliability of some of the data collected. In addition, this result suggests that for some proportion of LGBT employees, there is no relationship between the presence of LGBT-supportive workplace policies and employee-level outcomes simply because these individuals are unaware that such policies even exist

## SUMMARY AND CONCLUSIONS

On a qualitative level, we find support in the social science research for links between LGBT-supportive policies and outcomes that will benefit employers. Although the number of available studies was small, we are able to draw some tentative conclusions:

- Having LGBT-supportive policies in the workplace is associated with reduced incidence of discrimination, and less discrimination is associated with better psychological health and increased job satisfaction among LGBT employees.
- A supportive workplace climate – which includes

both LGBT-supportive policies and more broad support from co-workers and supervisory staff – is associated with a greater likelihood that LGBT employees will feel comfortable disclosing their sexual orientation at work. In turn, increased disclosure of sexual orientation is related to improved psychological health outcomes among LGBT employees.

- LGBT employees report more satisfaction with their jobs when covered by LGBT-supportive policies and working in positive climates.
- The presence of LGBT-supportive policies and workplace climates are associated with improved relationships among LGBT employees and their co-workers and supervisors. In addition, LGBT employees are more engaged in the workplace, are more likely to go above-and-beyond their job description to contribute to the work environment, and report greater commitment to their jobs.
- Although there may be initial costs to enacting LGBT-supportive policies, such as extending health benefits to same-sex partners of LGBT employees, we find that these costs are likely negligible and could be offset by cost savings in other areas. Healthier, more committed LGBT employees are likely to make greater contributions to the workplace.
- Among consumers and job-seekers who value LGBT-inclusive diversity practices, businesses with LGBT-supportive policies may be seen as better companies from which to buy products or for whom to work, thereby increasing their customer base and pool of prospective employees.
- This would successfully conclude productivity for a business.

## 8. RECOMMENDATIONS

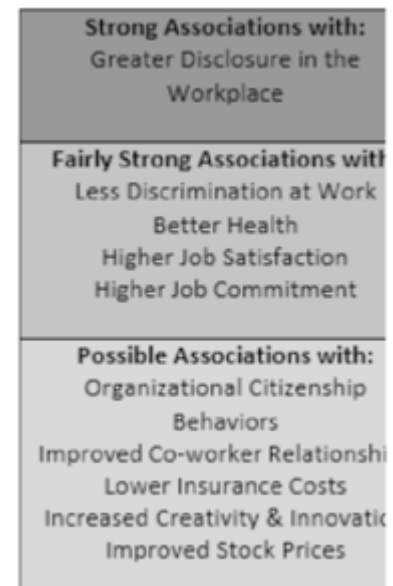
I make several recommendations about directions for future research:

- 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.



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