

www.pwc.co.uk

The next generation of LGBT+ business leaders

OutNEXT: 2017 LGBT+ Emerging Leader Summit



In association with
OUT LEADERSHIP



Kevin Burrowes

PwC UK Executive Board,
Clients and Markets

“It may not always be easy for our LGBT+ leaders, but you must stay strong, be resilient and continue to be yourselves.”

It’s a great pleasure for us at PwC to be one of the Global Sponsors for OutNEXT in 2017, along with Barclays and Bloomberg. Diversity and inclusiveness are major priorities for us globally, and we invest in organisations like ‘Out Leadership’ because you are the leaders who will drive social change in the future.

Throughout 2017, we’ve seen further advances in the fight for LGBT+ rights, both in business and in wider society. Diversity continues to be a priority for CEOs, with the majority of organisations implementing diversity and inclusion strategies and increasing levels of LGBT+ talent entering the workforce. The business case is simple: diverse talent, views and thinking are critical if we are to solve the world’s most complex problems and drive innovative thinking.

Embracing diversity and inclusion represents an opportunity that organisations cannot ignore. Most importantly, however, it is the right thing to do.

That said, there’s still a long way to go before full equality is reached. As leaders, we all have a responsibility to lead by example. We must also work together to promote inclusivity and cohesion and create a culture where differences are celebrated.

It may not always be easy for our LGBT+ leaders, but you must stay strong, be resilient and continue to be yourselves. Never underestimate the power and impact that your voices can have within your organisations and in society.

I hope that you find this report useful in driving diversity and inclusion forward in your organisation.

When I started my career on Wall Street, I never dreamed I’d have the opportunity to meet and learn from a network of LGBT+ emerging leaders. Honestly, even 10 years ago, something like OutNEXT was hard to imagine. Our whole team at Out Leadership is thrilled that we’re able to convene the global community of the next generation of LGBT+ business leaders, with the help of our sponsors Barclays, Bloomberg, and PwC.

At this year’s Global Summit in New York, hundreds of young leaders selected by Out Leadership member companies gathered with their peers to learn from some of the world’s most impactful business leaders. These included Kevin Burrowes, Barclays’ Group Chief Executive Jes Staley, and Thomson Reuters Chief Executive Officer Jim Smith. OutNEXT participants also heard from leaders of the LGBT+ movement who have been on the frontlines of the battle for equal rights, including the Anti-Violence Project’s Beverly Tillery and marriage equality

plaintiff Jim Obergefell. And crucially, they also had the opportunity to meet and learn from one another – Including from OutNEXT alumni like Prudential’s Jesse Lueck and UBS’s Chastity Hicks, both of whom shared some of the insights they found most actionable from their OutNEXT Summit experience.

We’ve been proud to partner with PwC on this white paper, which conveys some of the key insights from this year’s Summit. It’s our sincere hope that in the months since you attended OutNEXT, you’ve had the opportunity to put some of what you learned this summer into practice at your company. At the end of this year’s Summit, I asked each one of you to commit to taking concrete actions to leverage your unique advantage as an LGBT+ leader at work. As you read through these findings, I invite you to revisit that commitment. We look forward to continuing to build the global OutNEXT network with you.



Todd Sears

Founder and Principal,
Out Leadership



Samantha Santos

Head of Diversity and Inclusion, Americas, Bloomberg LP

At Bloomberg we're committed to creating a workplace where difference is welcomed and celebrated, because we know that the talented people we hire are best able to innovate when they're able to be themselves.

We are proud to support OutNEXT around the world, including by hosting the initiative's regional salons in London, Hong Kong, and Sydney each year.

At this year's Summit, I was pleased to be able to participate as one of the judges of the Social Impact Challenge. It was a privilege to be able to observe the way the young leaders of OutNEXT brought their considerable intelligence, their systematic thought processes, and their social consciences to bear on some of the most pressing issues facing the LGBT+ community around the world.

It was wonderful to see the passion with which the OutNEXT participants engaged the challenge. The winning group, comprised of Lauren Battaglia (Hogan Lovells), Cam Gatta (Microsoft), Natalia Georges (Morgan Lewis) and Luis DeJesus (HSBC), applied the skills they've learned in their lives and at work to the present crisis of LGBT+ youth homelessness. The idea that the business thinkers who attended OutNEXT had experiences that may lead them to become more deeply engaged with efforts to drive LGBT+ equality is exciting.

Bloomberg invests in initiatives like OutNEXT because we think our company, and global society, needs more thoughtful, engaged citizens – People with the wherewithal and worldview necessary to think about and begin to solve the biggest problems. I was happy to have been able to observe the future of LGBT+ business leadership in action.

When I speak at the OutNEXT Global Summit each year, I always mention my unofficial title: "Chief Gay Officer." It's an opportunity to talk about the power of authenticity, the ways that our personal perspectives make us experts on some topics and novices on others, and the responsibilities we create for ourselves by telling people who we are.

I call myself "Chief Gay Officer" because it reminds me how others see me. You can't be half-out, or only out when it suits you. You're not out only on days that it feels good. You're not out only with certain clients or at certain events. You're either authentic or you're not.

I say, all the time: "I don't know what it's like to be a woman in financial services." I never will. I've have to rely on my colleagues who are women to tell me what it's like in financial services, then I have to do something with what they tell me – not question

it, not help rationalize it, not say "Oh, it can't be that bad." The same goes for when I'm listening to my colleagues who are black, Asian or Latino.

My job as head of diversity is to help Barclays dig into the issues that exist, and not normalize things. This isn't about equality, it's about equity, and that's very different. I don't want to treat you exactly the way I'm treated. I want to treat you the way you need to be treated. I want to have an organization that understands the differences between us, and responds to our different needs.

If I could ask OutNEXT participants to do just one thing, I would ask them to be authentic, because it has tremendous impact on organizational cultures. Advocate for yourself and others by being authentic, by being willing to challenge and by working to ensure that everyone is heard.

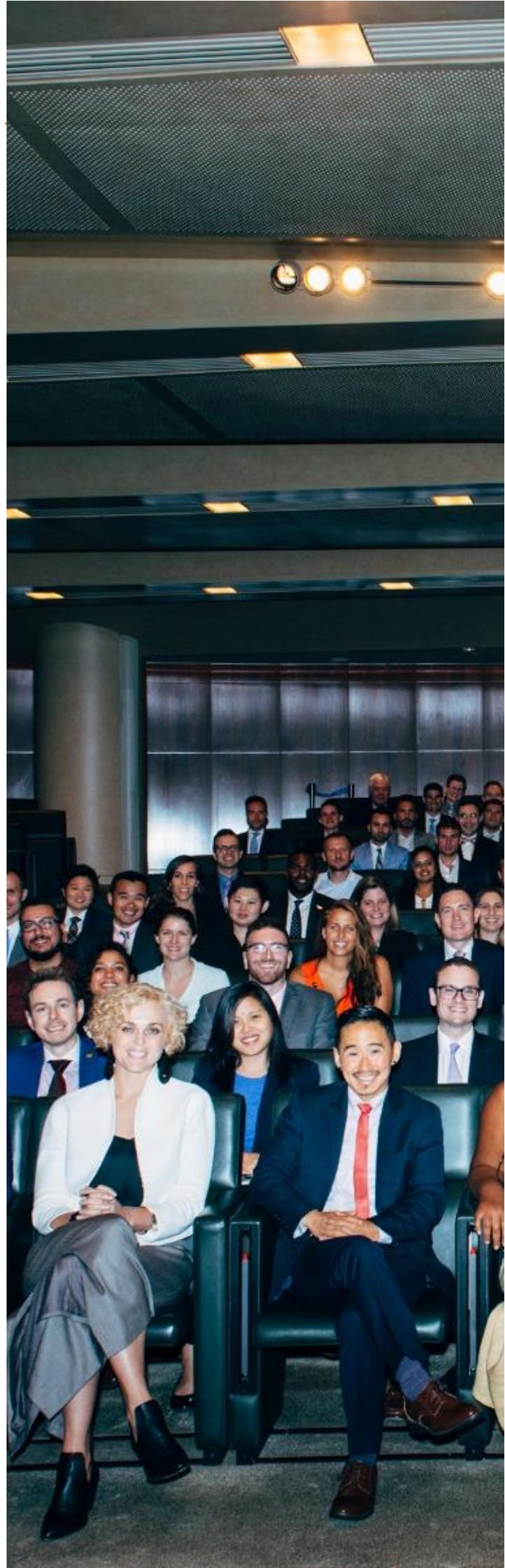


Mark McLane

Head of Global Diversity and Inclusion, Barclays

Contents

	Page
Leveraging authenticity to take your career a step further and make an impact	5
Creating diverse teams	7
Focusing on obtained rights and moving forward towards full equality	8
Leveraging business success and identity to create social impact	9
An international company's role in fighting for LGBT+ equality both domestically and overseas	10
Contact us	12



Leveraging authenticity to take your career a step further and make an impact



Lanaya Irvin

Equity Asset Management Services Director,
Bank of America Merrill Lynch

“Your role means more than you think it does.

You still do your job, build your balance sheet, and cultivate client relationships ... but over time, you also build trust and create relationships with important stakeholders within your organisation.

The capital that you have created will allow you to drive change when it comes to inclusion.”

“Focusing on your strengths is the best way to enjoy your work, and to use these strengths to your advantage. Focusing on your faults creates a miserable thinking-pattern and a self-fulfilling prophecy, which can stunt productivity and growth.”

“Many of us have decided that we need to act a certain way, to be a certain way, to look a certain way in order to have, apparently, what looks like a successful career... and we forget who we are.”



Andy Woodfield

Partner, PwC UK

At this year’s OutNEXT Global Summit, attendees had the opportunity to participate in ‘Genius. Power. Dreams,’ Andy Woodfield’s leadership development curriculum which encourages leaders to stop ‘acting’ a role and appreciate their own and others’ strengths. ‘It spurs them into dealing with challenging agendas more authentically,’ said Woodfield. ‘What’s ‘authentic’? It can mean not having all the answers. It can mean being vulnerable and sometimes failing. But ultimately it means being the leader you really are.’

The workshops start with the premise that each and every person in the room has a unique talent, a hidden genius, a lot more to offer. And we all have the ability to reach our full potential, regardless of where we currently sit within our respective organisations.

Getting the best out of people at every level, particularly during times of change, is key to sustainable competitive advantage for every organisation.



“Everyone told me, ‘You can't work in the corporate world, and be yourself. I was always being told there's something wrong with me or, ‘Something wrong with the way you look. You're not feminine enough, you're not masculine enough. What are you? If you're not a girl, do you want to be a boy, do you want to be a man?’”

Jesse Lueck

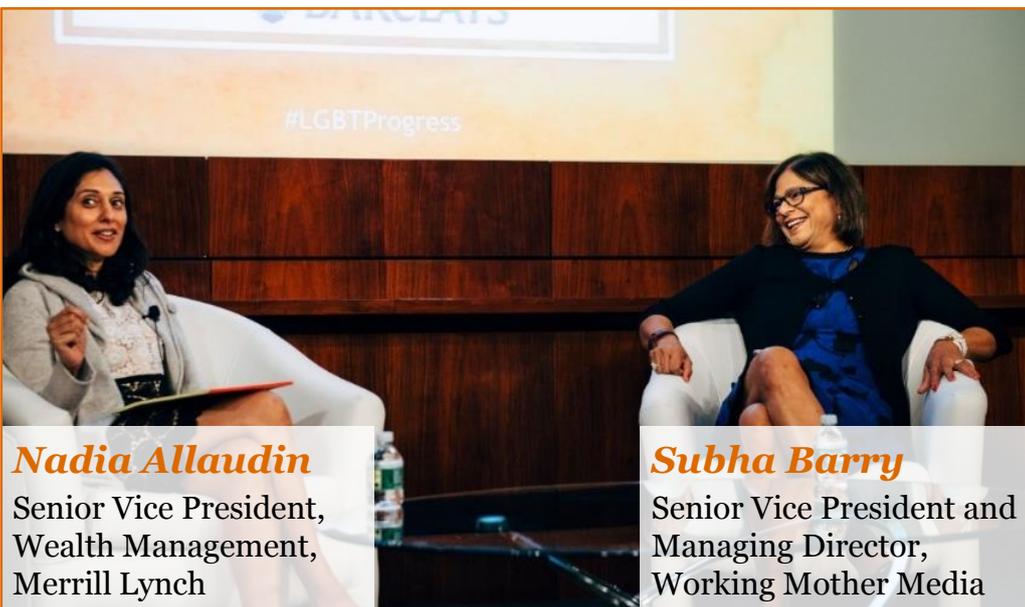
Project Manager Specialist, Prudential
OutNEXT Alumnus

“The courage to be yourself and find yourself in adverse environments... can lead to considerable business success, innovation, and personal growth. Rather than allowing the local marketplace and market ethos to influence the product you unveil, commitment to yourself can better the product you deliver.”



Rodrigo Bellot

Co-Founder and CEO, KANTRR, LLC



Nadia Allaudin

Senior Vice President,
Wealth Management,
Merrill Lynch

Subha Barry

Senior Vice President and
Managing Director,
Working Mother Media

“Have somebody to role-play with before you do it, because you're going to get one chance to do it right. You turn them off that first time, they may not be eager to give you a second chance. Plan your words, plan the delivery, be succinct.”

Subha Barry

Creating diverse teams



Mark Fowler

Deputy Chief Executive Officer, Tanenbaum

Mark McLane

Head of Global Diversity and Inclusion, Barclays

“I don't need every leader at Barclays to know everything about diversity. But I need every leader to do something. I need them to pick that one thing they can engage with, and dig into it. If we get every leader, every individual to pick something that they're passionate about, that they're authentic about, and continue to move it forward as part of their project as a leader within our organisation, we will absolutely see cultural change within our company and within society.”

Mark McLane

As many speakers at the OutNEXT Global Summit noted, companies that champion and promote diversity reap very real rewards from their efforts. PwC's CEO survey¹ showed that, among other benefits, these include enhanced business performance, reputational strength, a more innovative and collaborative culture and the ability to attract talent. Organisations today operate in markets that are more diverse, with demographic and social change reshaping the customer base and market dynamics. So it's no surprise that companies taking a proactive stance on diversity are seeing clear advantages.

Some organisations today are taking much more radical steps than they would have contemplated just a few years ago. Most now understand that you have to intervene and change the status quo. And public reporting and disclosure is creating greater accountability and responsibility for making meaningful change.

Yet research shows that few organisations are as meritocratic as they'd like to believe. The class, ethnicity, sexual orientation and gender identity of most senior people in those organisations bear testimony to that.

It's hard for those in senior positions to acknowledge the influence of factors – other than talent and hard work – in their success. However, it's essential that they do challenge themselves if they are sincere about developing a more diverse organisation. Having already achieved business success, leaders are uniquely positioned favorably to lead in other areas, set examples of being vulnerable or authentic, and shape their external environment.

The question of their eventual role as LGBT+ leaders is of particular relevance to the OutNEXT cohort. Senior LGBT+ leaders at the OutNEXT Global Summit deemed that leaders must insist executive recruiters create candidate lists that reflect the full breadth of a diverse population – and be prepared to speak up when they don't. They should also make sure their company has a clear public position. Ensuring potential candidates know your organisation embraces diversity to the full should be at the core of any recruitment drive.

Organisations must also examine how they approach difference in a corporate setting. The key is not to try and 'normalise' every difference –

those efforts are bound to fail. Leaders need to move away from uniform employee interactions. Realising that every person is different, and requires different needs, is an integral step in enhancing diversity. It isn't so much about equality, it's about equity – and that's very different.

A first step should be rigorous self-assessment, either carried out internally or with the assistance of third-party specialists. Either way, it must have the backing and participation of senior management. If 'diversity' is left to HR alone, it risks being seen as 'only' about people, rather than of fundamental importance and concern to the whole business and how it operates. And with a clear picture in place, companies need to act on it.

Of course, there's no one-size-fits-all approach to creating a more diverse organisation. But the need to do so applies to every business. And the time to start is now.

1. PwC CEO Survey 2015

Focusing on obtained rights and moving forward towards full equality



From left to right: **Jim Obergefell**, named plaintiff in *Obergefell v. Hodges*; **Beverly Tillery**, Executive Director at NYC Anti-Violence Project; **Kris Hayashi**, Executive Director at Transgender Law Center; and **Siri May**, United Nations Program Coordinator at Outright Action International.

OutNEXTers heard from veteran advocates for LGBT+ inclusion and equality, who shared their insights from years on the front lines, both locally in the United States and globally. They then participated in a Social Impact Challenge, forming small groups to discuss and propose solutions to issues the LGBT+ community faces, including: business challenges companies face in Russia, religion's role in workplace inclusion, ways to keep up engagement regarding LGBT+ equality, and trans inclusivity in the workplace.

Big companies, speakers reflected, are ultimately collections of humans living and working in our communities, alongside everybody else. There's a widespread perception that large organisations like the ones OutNEXT participants work for are siloed from the rest of society.

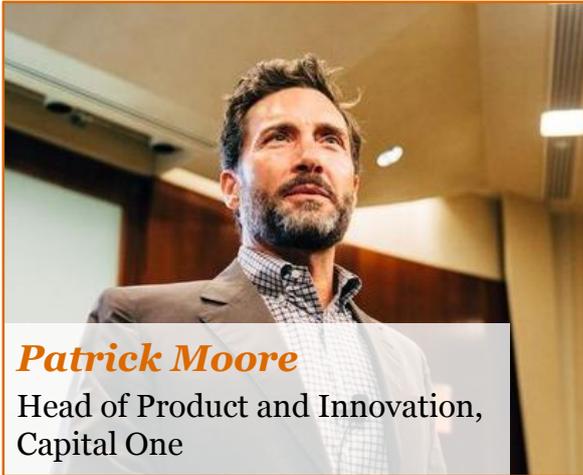
But that really isn't the case: OutNEXTers are at the heart of many communities.

Executives noted that the inclusivity agenda is often at the very core of multinational corporations' identities. But the question remains: how can businesses and the people within them do their part to help ensure that LGBT+ people maintain the rights they've gained, and continue to move forward to full equality? The key is to take an intersectional approach. In other words, policies must aim to include everyone on the LGBT+ spectrum rather than focusing on one identity at a time. And the voices of the most marginalised must be brought to the fore of the movement.

"How do we make sure that the voices of those who are most marginalised are leading our movement? That's where the most powerful, most innovative solutions are going to come from. These are the people who have to lead our movement because they're going to come with different kinds of solutions that represent all of their experiences in different ways."

Siri May

Leveraging business success and identity to create social impact



Patrick Moore

Head of Product and Innovation,
Capital One

“Leadership is all about trust, getting people to trust in and believe in you. And the most effective and best way to do that is to be authentic. You need to be able to talk about those core things that have shaped your perspectives and your approach to leadership, and being true to yourself – and to the people you work for, and who work for you – is a prerequisite.”

“For me last year, the overwhelming theme that ran true was the power of showing up.

At OutNEXT, I met an incredible group of out women. We had a very honest and real conversation about the challenges encouraging women to show up, be visible and be present at LGBT+ events. In that moment, we all agreed together to take action, to pay for our positions of privilege at Out Leadership member firms and to support those coming up behind us, the next generation of LGBT+ leaders. But, most importantly, we all agreed to hold each other accountable for our actions.”



Lauren Lee

Operations Associate, Goldman Sachs
OutNEXT Alumnus

James Scully

Fashion Industry
Casting Director



Hanne Gaby Odiele

Model and Intersex
Advocate

“Intersex people are born with sex traits that don't really fit the typical definition of male or female. Like most intersex kids, I've been subjected to irreversible, nonconsensual, and unnecessary surgeries. These surgeries have caused way more harm than good. Two percent of the population is born intersex – it's as common as being born with red hair. People want to put us in a box, "male" or "female", but in reality, sex is a spectrum, and intersex is proof of that. It's important for me to speak up now, those surgeries have been happening for way too long, and I want it to stop now.”

Hanne Gaby Odiele

The role of multinationals in standing up for LGBT+ equality, in the U.S. and around the world



Jim Smith

President and CEO,
Thomson Reuters

Jes Staley

Group Chief Executive
Officer, Barclays

“A bit of a controversial move in our company was where we sponsored a pride parade in a large midwestern city in the United States. Some of the firm thought that was too political, but we did it because we had an employee base that was supportive of it and we support our employees.

The day after that parade, I got a call from a client that we've been trying to build a broader relationship with. That client said, "I saw you were sponsoring the parade, I took 700 people to that parade." Look, and the relationship changed.”

Jim Smith

The OutNEXT 2017 Global Summit kicked off with a conversation between Barclays Group Chief Executive Officer Jes Staley and Thomson Reuters Chief Executive Officer Jim Smith about how they've led their companies on LGBT+ issues from the C-Suite – the first time global CEOs spoke at a gathering of LGBT+ emerging leaders.

They noted that operating in countries where political and cultural norms are set against LGBT+ self-expression can be a challenge for any international business. How far a public company can pursue an inclusivity agenda in such circumstances, especially if there are legal constraints, is an open question.

It's down to individual leaders to assess both the external landscape and the needs of their organisation and find a balance that catalyses change by letting LGBT+ employees bring their full selves to work every day.

‘We need to lead the bank in such a way that it pushes on boundaries, but also, there's a reality that we can't use the institution for our own political agenda,’ said Staley.

The executives also noted that support for inclusion (including LGBT+ equality) cannot be a message for the C-suite alone to deliver. Individually, every OutNEXT participant can be an advocate for inclusion both domestically and overseas by actively listening to and learning about ourselves and others. This enables us to draw on all the different experiences that we've developed through our journeys through life in our vibrant, diverse communities of colleagues and clients, families and friends.

The business case for LGBT+ inclusion



PwC is collaborating with Out Leadership in the coming months to commence research that will provide insights into LGBT+ talent expectations and experiences. This will explore the issues in the workplace impacting high-potential out LGBT+ millennial talent. It will also highlight what employers need to focus on to attract, engage, develop and retain this talent pool and role-model the benefits of being out at work.

Visible senior executives make a big difference in getting this message across, but if historically a company has not promoted LGBT+ inclusion those senior execs may be hard to find.

Increasing numbers of CEOs and senior executives will be aware of the various initiatives and targets to increase diversity at board and senior management level. Last year, the UK's Department for Business, Innovation and Skills¹ announced a new independent review on increasing the representation of women in corporate leadership positions. Similarly, there's an increased awareness of the need to address ethnicity in leadership roles. While ethnic minority board members lag behind their female counterparts, efforts are being made by many companies to redress the white, male bias.

But what about LGBT+ executives? With the current focus on smashing the glass ceiling – Affecting women and ethnic minorities – Not many companies are even aware of the rainbow ceiling.

LGBT+ people face a high risk of discrimination in the workplace. According to research², 47% of FTSE-100 companies make no reference to non-discrimination policies for gay, lesbian or bisexual employees in their annual reports.

It's no surprise that one recent survey³ revealed that over half of LGBT+ employees hide their sexual orientation and gender identity in the workplace; 23% remain closeted because they believe they'll not be

considered for promotion or other development opportunities.

With a few notable exceptions, there is an absence of visible LGBT+ executives in global corporates and LGBT+ inclusion is not even on the board agenda. In fact, with no official benchmark of LGBT+ inclusion at board level, it could be argued that the LGBT+ community is unsupported by business and government.

Promoting LGBT+ inclusivity is an opportunity for business. It has positive benefits for consumers, employees, and financial performance. Being able to be 'authentic' at work improves productivity; employees who feel closeted at work are 30% less productive than those that are able to be themselves. Organisational cultures that are supportive of LGBT+ people get the best out of their teams.

As well as helping to attract and retain employees, a supportive LGBT+ employer brand can also help companies do business. Clients are attracted to companies that demonstrate their values and inclusivity; not just paying lip service to it but actually living it through company values and culture. The LGBT+ community is a market that should not be ignored; it has a global spending power of US\$3.7 trillion and is very loyal and supportive of LGBT+ friendly brands. However, if a company is not clear about LGBT+ inclusivity, the automatic presumption is that the company is not supportive.

LGBT+ representation in senior roles is the key to this opportunity. The boardroom is where significant decisions affecting employees' lives are made, and also where the values, culture and ethos of the company are formed. LGBT+ people need to help shape these decisions and communicate these to the workforce and the wider business community. Business leaders also need to have a better understanding of the challenges and motivations of their LGBT+ employees.

In my view, change must come from the top. This means corporate leadership making it clear that it's OK to be LGBT+, to set targets and to promote LGBT+ leaders to ensure representation in the boardroom. Visible senior executives make a big difference in getting this message across, but if a company has not historically promoted LGBT+ inclusion, those senior execs may be hard to find. This is why incentives like Quorum – A programme from Out Leadership that proactively identifies and places senior LGBT+ executives on corporate boards – Are needed.

The focus on smashing the glass ceiling, while commendable, has resulted in other minorities being side-lined.

Now it's time to smash the rainbow ceiling too.

1. <https://www.gov.uk/government/news/new-chair-and-deputy-chair-of-women-on-boards-review-will-champion-female-executives>
2. FTSE 100's 2014 Annual Reports by OUTstanding
3. <http://www.hrc.org/resources/the-cost-of-the-closet-and-the-rewards-of-inclusion>



Contact us



Mark Gossington

Partner, PwC UK

PwC Global Advisory Board
Member – LGBT+

M: +44 (0) 7722 781456

E: mark.gossington@pwc.com



Todd Sears

Founder and Principal, Out Leadership

T: +1 917 336 0604 x700

E: todd.sears@outleadership.com

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers LLP, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2017 PricewaterhouseCoopers LLP. All rights reserved. In this document, "PwC" refers to the UK member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.