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Where Are the Gay Chief Executives?

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UPDATE: This article has been revised to address the uncertain nature of “openly.” Some readers consider openly to include people who are out in their personal lives but not in the workplace; other readers, and the Human Rights Campaign, count only those who publicly identify themselves as gay.

When the National Football League last week drafted its first openly gay player, Michael Sam, he joined a roster of recent firsts —from the first out nightly news and morning-television anchors, United States senator and pro-basketball player.

But one major realm of society lags behind: corporate America. There are very few openly gay chief executives at the nation’s 1,000 biggest companies.

While some might be out in their personal lives or be widely assumed to be gay, none has spoken publicly about it the way Mr. Sam and other public figures have, which signals how far behind corporate America still is.

It may seem incongruous that corner offices trail, say, the testosterone-fueled world of N.F.L. linebackers in their apparent acceptance of homosexuality. But it

serves as a reminder of how, even today, the business world is one of the slowest sectors of society to adopt new norms of acceptance —despite the fact that it keeps out some talented people, the lifeblood of companies.

Just look at the progress of women and minorities in corporate America, decades after the women's and civil rights movements. Even today, only 48 of the 1,000 largest companies —or 5 percent —have a woman in charge. The first African-American Fortune 500 chief executive ascended to his job a mere 15 years ago.

And gay, lesbian, bisexual or transgender executives face separate challenges breaking through the so-called pink ceiling. Their differences are often invisible. In some places, discrimination camouflaged as business strategy —“We're tolerant, but our customers might not be” —is considered acceptable. Even as the gay rights movement progresses at a faster clip than civil rights movements before it, there is an overwhelming pressure in the workplace to hide one's sexual orientation.

“If we learned anything from the equal rights movements, it's that legislation and policies are not enough,” said Deena Fidas, the director of Human Rights Campaign's workplace equality program. “There has to be an actual culture of inclusion.”

Policies are certainly on the books. Today, 91 percent of Fortune 500 companies include sexual orientation in their nondiscrimination policies, up from 61 percent in 2002, according to Human Rights Campaign. (Federal law does not protect against workplace discrimination on the basis of sexual orientation or gender identity.)

Yet even in 2014, it is more common than not for lesbian, gay, bisexual or transgender workers to remain closeted at work, among both senior executives and junior employees, according to a new survey of 1,700 people by Human Rights Campaign.

Corporate policies do not necessarily translate to office culture, as anyone who has worked at a big company knows well. “It's beyond anti-discrimination policy,” said Nancy Vitale, the chief human resources officer at Genentech, who is open at work about the fact that she is a lesbian. “It absolutely goes to —do people feel comfortable being themselves?”

That means little things, like tagging along to happy hour or casually chatting with co-workers.

“When a straight woman says, ‘My husband is out of town, I’m stretched this week,’ it’s just a professional talking about her life,” Ms. Fidas said. “When a lesbian says, ‘My partner’s out of town,’ it’s deemed unprofessional.”

And it is no wonder that closeted employees have difficulty advancing at their companies. They report feeling distracted at work, avoiding certain clients or co-workers, skipping company social events and having a difficult time finding mentors —all of which can have a direct result on career advancement.

“When you look at the root cause, what is the pink ceiling, it’s really this unstated demand in organizations for individuals to downplay their identities and to conform to the norms of the organization,” said Christie Smith, a principal at Deloitte, the consulting firm, who manages its center for inclusion.

A Deloitte report by Ms. Smith and Kenji Yoshino, a New York University School of Law professor, found that 83 percent of gay, lesbian and bisexual people hide aspects of their identity at work, often because they say their bosses expect them to.

At some companies, for example, there is a belief that bringing a same-sex partner to an event like a deal-closing dinner with a conservative client could be bad for business.

And sometimes it could be. Deloitte has assigned gay consultants to work on projects for clients, only to have the clients call and say they do not want a gay person on the team, Ms. Smith said. Deloitte walked away from those contracts, she said.

“This is the leadership issue of our time,” she said.

At the highest levels of companies, the same insular culture that has made it hard for women and minorities to reach the executive ranks also keeps out gay people —even if they are older white men.

“Old-boy networks get maintained by social connectivity, and when you’re closeted it’s harder,” Ms. Fidas said.

That is one reason that having a gay chief executive, or one who publicly talks about inclusion, would make a difference, said Jennifer Brown, the founder and chief executive of Jennifer Brown Consulting, which advises companies on diversity.

“Employees notice every move at the top of the house,” Ms. Brown said. “They will notice when a person says a single sentence about diversity, and it signals to people that they are supported by the company.”

“If people are still making a choice to hide, people know that as well in certain corners,” she added. “That can send a troubling signal, which is, ‘I don’t feel safe enough and I’m an executive at this company, so why would *you* feel safe enough?’”

Right now, Ms. Smith said, that is still the signal many companies are sending gay employees at work, where this is not just a civil rights issue, but an economic one —it is the companies that lose when talented people don’t apply or leave because they feel unwelcome.

But if change can happen in football, it seems possible in corporate America.

A version of this op-ed appears in print on May 18, 2014, on page SR4 of the New York edition with the headline: Where Are the Gay Chief Executives?.

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