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DIVERSITY AND THE GAY AND LESBIAN COMMUNITY: MORE THAN CHASING THE PINK DOLLAR

by Paul Douglas

Paul Douglas is Executive Vice President of Commercial Banking, TD Bank Financial Group. He chairs TD's Diversity Leadership Council subcommittee on promoting and enhancing a supportive environment for gay, lesbian, bisexual and transgender customers and employees.

Some organizations have gone beyond championing diversity to embedding it in their organizational culture and workplace. Some have recognized that their diversity initiatives represent an opportunity to differentiate themselves and build competitive advantage. This author, a vice president of one of Canada's leading financial institutions, describes his organization's diversity initiatives, ones that will do nothing less than assure the organization's sustainability.

During a recent focus group at TD, a lesbian employee spoke about how comfortable she felt inviting her work team to her wedding after hearing our president and CEO speak inclusively about the gay, lesbian, bisexual and transgender community. Her revelation was not without significance: Our company was making a difference.

Reaching out to people in all their diversity is a major focus of business these days. Some companies, recognizing they may still be diversity dinosaurs, are playing catch-up with the demographic realities of 21st society. Others are trailblazing a path to the diversity frontier, keen on competitive advantage by differentiating themselves as true microcosms of their communities.

The case for diversity is compelling and well established – stronger stakeholder relationships, better decision-making, inclusive workplaces, long-term business sustainability and so on. These themes have been covered quite well in past *Ivey Business Journal* articles, so there's no need to elaborate on them here. Instead, in this article I want to discuss TD's work in one particular area: our support for the gay, lesbian, bisexual and transgender (GLBT) population. Our GLBT efforts are part of an overall strategy on diversity and represent, in my view, a good case study on the topic. As our experience with the GLBT community demonstrates, an effective diversity agenda is not only about what you do, but how you do it.

A stronger pledge to diversity – and the GLBT population

From a humanistic perspective, adopting a diversity agenda is the right thing to do. From a business perspective, it's a necessity. Organizations are paying closer attention to Canada's evolving demographic landscape and know that to increase competitiveness, to attract and retain the best talent and to increase understanding of – and access to – specific markets, clients and consumer segments, they must take a business-case approach to diversity.

TD is no exception. We have a major diversity strategy in place and have made diversity a business-owned initiative. We strive to be an organization where people do not feel excluded in any way – no matter what their ethnicity, physical abilities, gender or sexual orientation.

Diversity is something we've been working on for years at TD, but didn't get into full flight until three years ago, when we made diversity a strategic business priority for our organization. That direction came from president and CEO Ed Clark, at a meeting of all TD executives. His passion

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and commitment to diversity really galvanized the executive team. To be successful over the long term, Ed said, we must be a place where all of our customers and employees believe that their needs can be met.

One of the first and most crucial actions taken was the formation of a Diversity Leadership Council. Comprising senior executives from across the bank and reporting directly to the president and CEO, the Council was charged with setting TD's overall strategy for diversity, embedding it in business plans and driving enterprise-wide initiatives.

Five priorities were identified for focused effort:

- Building an agenda for people with disabilities
- Expanding leadership opportunities for visible minorities
- Expanding leadership opportunities for women
- Serving diverse communities
- Promoting and enhancing a supportive environment for GLBT customers and employees

Why GLBT?

Why was the GLBT community selected as a priority? A series of different incidents led us to believe that we didn't have an environment where all our GLBT employees and customers felt comfortable being open about their sexuality. For example, while we had same-sex benefits available at TD for many years, only 94 employees were signed up for them. With 47,000 employees in Canada, this didn't make sense. We also knew that some people, including executives, didn't feel at ease being upfront about their sexuality as they thought it would limit their careers.

The reality was, people weren't feeling as comfortable as they should. While we have always tried to be a welcoming organization, perception *is* everything, especially in a large company. It is not acceptable if people don't claim benefits they are entitled to. It is not acceptable if people think some distinction is being made on the basis of sexual orientation.

With our look inside, we began to wonder: Are our GLBT customers also not feeling as comfortable as they should? And let's not pretend that the GLBT market doesn't represent a fantastic business opportunity. In Canada, GLBT consumers have an estimated buying power of more than \$75 billion. According to San Francisco-based Community Marketing, a leading research and consulting firm, gay and lesbian consumers make up at least 10 percent of the consumer market, and overall go on more trips, own more houses and have the most disposable income of any niche group. The bottom line: It would be foolish not to pursue such a potentially profitable client group.

TD's Diversity Leadership Council struck an executive subcommittee to create and drive a very focused program aimed at our GLBT customers and employees. I have the privilege of chairing this subcommittee, whose ultimate goal is to make TD the bank of choice and employer of choice for this population.

GLBT initiatives and early successes

In three short years, TD has come a long way

- The number of employees claiming same-sex benefits has doubled.
- Surveys and anecdotal evidence tell us that GLBT customers and employees are applauding our efforts.
- TD has won external awards and recognition – including top bank for Toronto's gay community by *Xtra*, a leading gay newspaper, and Employer of the Year from the Gay and Lesbian Business Association of B.C. While we're not doing this for the recognition, it does send a positive message to our employees, customers and communities.

While there is still much to do to get where we want to be, we have created a far-reaching program of initiatives for GLBT employees, customers and the community at large.

Within our workplace, for instance, we have set up a successful Employee Pride Network across Canada. Its membership has tripled since its inception in 2005. The network acts as a feedback

mechanism to shape GLBT strategy internally and externally, and allows employees to share ideas and experiences. There are local networks in Toronto, Vancouver, Montreal and London, and we'll be expanding to Calgary and Ottawa by the end of 2007. We're also investing in people development. This fall we're rolling out a major diversity inclusiveness training initiative, which will be delivered to all our people managers over the next two years.

To reach out to GLBT consumers, we have year-round advertising campaigns in various publications, portraying the GLBT community in a realistic, non-stereotypical manner, while accurately reflecting TD's position as a welcoming bank. For the co-branded TD American Airlines VISA card, we have designed specific marketing initiatives to target the GLBT population.

We're also very active in the community. In fact, our community involvement was especially important at the outset, when we wanted to make a very public statement that TD is supportive of the GLBT population. To send a message of support as much internally as externally, TD became a top sponsor of Pride Toronto and the Pride Parade three years ago. Pride Parade is one of Canada's premier arts and culture festivals and one of the three largest Pride events in North America. Each year our involvement has grown. TD's Employee Pride Network is very active in the Pride Parade events and we're the lead supporter of Pride Toronto's volunteer program, which is the heart and soul of Pride Week.

We've focused on building relationships with the GLBT community and supporting causes such as HIV and AIDS. For example, TD was the official bank and a sponsor of the 16th International AIDS Conference held in Toronto last year. Concurrent with the conference, our Economics Department released a paper entitled "The Economic Cost of AIDS: A Clear Case for Action." The study highlighted the devastating impact of AIDS in developing countries and recommended a number of actions, including increased financing and distribution of antiretroviral drugs for the developing world.

What Have We Learned So Far?

Our GLBT efforts cannot be viewed in isolation – they go hand in hand with our overall diversity strategy, which has aimed to foster an inclusive and open environment for all. Let me highlight the key principles and elements of this broader strategy, which in my view have been essential to our success with the GLBT population:

The importance of leadership

The diversity initiative at TD has the full support of the most senior levels, including our president and CEO, Ed Clark, who remains its biggest champion. According to the Conference Board of Canada, the role and commitment of a company's leader is the number-one element in creating an accommodating workplace rich in diversity. Ed is a leading supporter of TD's Employee Pride Network and has been active in events organized by the network. He has talked frankly to shareholders about diversity at our annual general meetings and its importance to the future of our business.

"Diversity is extremely important to me. I am physically incapable of leading an organization that is at odds with my own beliefs about fundamental human rights and respect for each other. I care that our customers and employees who are gay, lesbian, bisexual or transgender have a comfortable experience at TD. I don't want people to feel they have to hide who they are because they're afraid we'll discriminate against them. In fact, I look forward to the day when all employees feel that their sexual orientation is a non-issue."

Ed Clark, President & CEO, TD

Diversity is everyone's job, not just the domain of HR

At TD we have challenged the perception that diversity is just a responsibility of the Human Resources (HR) department, stressing instead company-wide responsibility. We view diversity as a broad, multi-faceted opportunity that cuts across our organization. Diversity is not HR's job. It's not Marketing's job. It's everyone's job. And it goes beyond our company walls, which is why we have initiatives targeting customers and community members, in addition to employees.

Diversity is like any other business strategy

To be effective, diversity must be embedded in the business. That's the way it sustains itself. It should be treated as any other business strategy, not as a one-off exercise or the hip initiative of

the day. For example, at TD our diversity program is aligned with our corporate guiding principles and leadership profile, and we have action-oriented plans with clear measurement of our progress both in the workplace and in the marketplace.

Deep-seated commitment is a must

At TD, we don't accept or tolerate – we support and embrace the GLBT community. Same-sex relationships are normalized. Genuine diversity isn't about token gestures or lip service. It's not about filling quotas, labeling people or grudgingly complying with the federal government's employment equity requirements. Nor is it about political correctness or "pseudo diversity". There has to be a deep-seated commitment to and understanding of diversity and groups such as the GLBT community. And concrete actions have to back up the rhetoric.

Educate and engage employees

A picture may be worth a thousand words, but the word "diversity" is worth a thousand pictures. Diversity is a topic that evokes great fervour and opinion and brings to the forefront questions about meritocracy and advantaging some groups over others. That's why communication with employees is so imperative. One of our first orders of business was to demystify diversity, as well as convey its importance to our staff. This was no easy task. A series of high-profile messages were sent out by executives across the company. We circulated a positioning paper that articulated what diversity is, what it is not and what it means to our customers. We created a "Diversity at TD" presentation for managers to use with their employees. Several executives delivered a road show across the country to deal openly with the issues.

The result? Today the diversity theme resonates throughout the company at all levels. A real inclusive culture and mindset has developed. There's no better illustration of this than TD's "London model." One of our most thriving Employee Pride Networks has surfaced in London, Ontario, a city regarded as conservative and traditional. This is a clear sign that people feel comfortable wearing their own stripes when they come to TD and a testament to how factors such as executive support have bred an open, welcoming atmosphere.

Support what matters to the GLBT community

It's not enough to make changes inside. You have to show you're serious on the outside as well. Through our involvement with community partners and support for various groups, we let our employees and the GLBT population know that we're very serious about being more inclusive.

Community involvement reaps many benefits

Many GLBT community organizations have told us that once news spread of TD, a large organization, giving them a "stamp of approval," it provided a tremendous boost to their credibility and efforts to garner funding and attention from other companies.

"TD's ongoing leadership support has enabled the Lesbian Gay Bi Trans Youth Line to grow from a small community organization to a provincial leader in supporting GLBT youth. As title sponsor for our Community Youth Awards and Line Art Auction, TD's commitment to social responsibility has helped to raise the Youth Line's profile, allowing our youth-led organization to serve more young people and attract more support."

Philip Wong, Executive Director, Lesbian Gay Bi Trans Youth Line

Ensuring a sustainable future

TD's support of the GLBT community is not about making moral judgments. It's about supporting a community that is an important part of our customer base and employee population. It's also about our overall commitment to diversity – something we take very seriously. On the diversity frontier, we see ourselves at the frontlines, working hard to show leadership and achieve progress. We want people to look at TD and see an example of how things should work.

Creating true diversity is a long road. It doesn't necessarily come naturally to people. It's hard work. The literature on diversity suggests that beliefs and behaviour often don't align. So companies have to be on the lookout for discrepancies between what they say and what they do. Becoming a diverse organization requires as much commitment and discipline as any other business priority.

There is no downside to diversity – everybody wins. It's good for society. And it's good for business. At TD, we view diversity as critical to the future of our organization – and the customers and communities we serve. Running our organization based on the principles of fairness and equity regarding the treatment of employees, customers, suppliers and other business associates is a non-negotiable obligation.

As a nation, we still have much to do to take down the obstacles that hinder true inclusion across Canada. Each and every company must be proactive and genuine in its commitments, ensuring diversity becomes something very real and meaningful. It's about remaining germane in a changing world. It's about adapting the organization to reflect and embrace Canada's demographics. It's about avoiding the fate of the corporate dinosaur. The strategic payoff, in the end, is business sustainability.

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