LGBT inclusion is a challenge that business cannot afford to duck

Stanford University’s Graduate School of Business has put down an important marker with the announcement of a new LGBT executive leadership programme, the first course of its kind from any world-leading business school. To the doubters who question the need for a leadership course for lesbians, gay men, bisexuals and transgender people in the C-suite, or indeed at any level of business, there are several compelling answers — but the short answer is that it’s good for business.

Companies care about growth and talent and to get the best talent they need to draw from the widest possible pool. It’s not just about getting the best people, though, it’s also about getting the best out of people. If LGBT leaders are not confident about being out, they do not bring their whole selves to work. To succeed fully, they need to be able to be fully who they are, not an edited version. According to Stephanie Sandberg, of Out Leadership, an LGBT inclusion consultancy that works with employers in the financial industry, many executives become accustomed to covering up about their orientation at work. That, in turn, can make them feel isolated and unsupported. They may fear that their opportunity for advancement could be harmed if they are honest about who they are. In short, it can be an enormous distraction. At worst, it may cause talented people to leave their jobs.

“The business impact of having everyone being out at work is palpable,” Ms Sandberg argues. “It means your LGBT executives are fully paying attention. They are not paying attention to covering up. They become more productive employees.”

Lloyd Blankfein, the chief executive of Goldman Sachs, is on the Out Leadership advisory board, where his mantra is simple: “We just care about talent.” Goldman, incidentally, is one of the few American companies that includes sexual orientation in its official definition of diversity.

Lord Browne of Madingley, who has been an advocate of top-down corporate policy of LGBT inclusiveness since resigning as chief executive of BP in 2007 amid a scandal over his private life, argues: “Engaged and inclusive teams are abnormally profitable against the average. Studies show that over a decade they make 20 per cent more earnings.” He hopes that the Stanford course will help to ensure that LGBT leaders are more visible as role models within companies and that it will encourage more boards to take up the issue. “Boards tend to be conservative and directors often don’t feel comfortable discussing these issues, or even recognise their importance. If the programme can create ambassadors in the boardroom, that’s important.”

Another hope is that the programme will remove the temptation for young people who are out at university to go back into the closet when they join the workforce.

There’s no doubt that work environments in the United States and Britain for LGBT individuals are improving. In the latest Corporate Equality Index recently published by the Human Rights Campaign Foundation, nearly half of 851 American companies surveyed received perfect scores for employment policies that achieve equality for LGBT employees. Yet few like Tim Cook, the chief executive of Apple, openly hold top leadership positions in global companies today. And Mr Cook didn’t come out until 2014, long after he got to the top. In the UK, António Simões, the chief executive of HSBC UK, is one of just a handful of visible role models.

In reality, it often is not easy to publicly identify yourself at work as LGBT.