



W I S C O N S I N
LGBT CHAMBER
O F C O M M E R C E

***Examining the Impact of LGBT Senior
Leadership Representation on Business
Outcomes***

***2018 Wisconsin LGBT
Chamber of Commerce Survey
Feedback Report***

Prepared by:

Jennica Webster, PhD
Associate Professor | College of Business
Marquette University

Submitted:

August 6, 2018

Table of Contents

	<i>Page</i>
Overview and Methodology	<i>3</i>
Design and Administration.....	<i>3</i>
Survey Instrument.....	<i>3</i>
Data Analysis.....	<i>3</i>
Description of the Sample.....	<i>4</i>
Results.....	<i>7</i>
Outcome Measures.....	<i>7</i>
Impact of Representation on Outcome Measures.....	<i>8</i>
Conclusion.....	<i>11</i>
References.....	<i>12</i>
Appendices.....	<i>13</i>

Overview

As a service to its members the Wisconsin LGBT Chamber of Commerce conducted a survey of its membership entitled, “Examining the Impact of LGBT Senior Leadership Representation on Business Outcomes.” In order to accomplish this the Chamber partnered with Dr. Jennica Webster from Marquette University to help facilitate, design and administer the survey. The purpose of this report is to describe the survey methodology and provide a descriptive summary of the results.

Methodology

Design and Administration. Survey design and administration occurred in three stages. First, a pilot test was conducted with seven member organizations. The information these companies provided allowed us to modify the survey before the final roll-out. Second, all of the Wisconsin LGBT Chamber of Commerce member organization liaisons received an e-mail invitation from Jason Rae to participate in the study. The invitation letter contained a description of the study and the URL to the survey. The survey site included information describing the purpose of the study, explaining the survey instrument, and assuring the respondents of anonymity. Respondents were also informed that they could withdraw from the survey at any time. Completed online surveys were submitted directly to a secure server, where any computer identification that might identify participants was deleted. Third, two reminder emails were sent to member liaisons from Dr. Jennica Webster. The purpose of the reminder emails was to thank those who had already participated in the study and to remind those who had not filled out the survey to please do so. This protocol for contacting participants and administering the survey was approved by the Institutional Review Board (ethics committee) at Marquette University to insure compliance with ethical standards of practice. Data collection took place between May 15, 2018 and July 15, 2018.

Survey Instrument. The survey questions were constructed based on the work of the focus groups arranged by Jason Rae and past research conducted by Jennica Webster. Jason Rae and members of the focus groups reviewed drafts of the initial survey and vetted the items to ensure they were contextually appropriate for the LGBT Chamber member organizations. The final LGBT Chamber survey contained 73 questions. These items focused on LGBT representation among senior organizational leaders and topics such as LGBT supportive workplace policies, HR-related policies and corporate social responsibility. The survey was designed so that respondents could provide information about the organization for which they worked. All survey responses were input into a secure-site database, and then tabulated for appropriate analysis.

Data Analysis. Survey data were analyzed to summarize the responses (in raw numbers and percentages) of those companies that took part using SPSS (version 24.0). Descriptive statistics were calculated by organizational characteristics (e.g., industry, size, whether the company was publicly traded or not-for-profit). Throughout the report, information is presented using ‘valid’ percentages by using the total number of respondents to a particular item (i.e., missing data were excluded).

Description of the Sample

A total of 579 LGBT Chamber member organizations were given the opportunity to participate in the study. Of that original list, 88 companies provided responses, yielding an overall response rate of 16%. Of those companies who responded, the average number of years since the founding of the organization was $M = 39.27$ ($SD = 47.66$), and the average total number of people employed by the organization was $M = 2,263$ ($SD = 8,681$). The majority were not publicly traded on the stock market (89.9%) compared to those who were publicly traded (10.1%), and fewer were not-for-profit (29.2%) than for-profit (70.8%) organizations. Presented below are important additional features of the participating companies with corresponding tables.

- ***Industry Sector Representation***

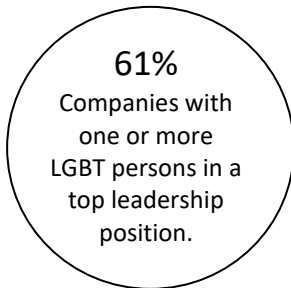
The table below shows the industry sector distribution. As shown, the industries that were most represented were Leisure and Hospitality (12.5%), Business Services (10.2%), Financial Services (10.2%), and Retail Services (10.2%).

List of Industry Sectors Represented

Industry	Frequency	Valid Percent
Leisure & Hospitality	11	12.5
Business Services	9	10.2
Financial Services	9	10.2
Retail Services	9	10.2
Healthcare	7	8.0
Arts, entertainment, recreation	6	6.8
Insurance	4	4.5
Legal	4	4.5
Education	3	3.4
Information Technology	2	2.3
Manufacturing	2	2.3
Government	1	1.1
Other	21	23.9

- LGBT Top Leadership Representation

Sixty-one percent of companies reported having one or more LGBT persons represented in one or more top leadership positions within the organization. A top leadership position included anyone who occupied the following roles: President, CEO, Owner, Top Management Team, and Board of Directors. As shown in the table below, of the companies with LGBT representation, 41.9% reported one, 4.8% reported two, 9.7% reported three, 3.2% reported 2, and 1.6% reported 11 LGBT person(s) in top leadership positions.

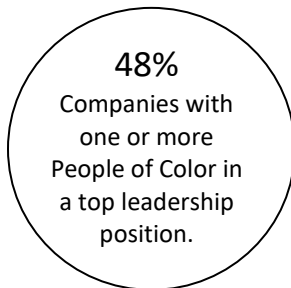


LGBT in Top Leadership Roles

Number of LGBT persons in Top Leadership	Frequency (# of Companies)	Valid Percent
0	24	38.7
1	26	41.9
2	3	4.8
3	6	9.7
4	2	3.2
11	1	1.6

- People of Color in Top Leadership Representation

Forty-eight percent of companies reported having one or more people of color represented in one or more top leadership positions within the organization (President, CEO, Owner, Top Management Team, or Board of Directors). The table below summarizes the breakdown of the number of people of color who hold top leadership positions across the organizations in the sample.

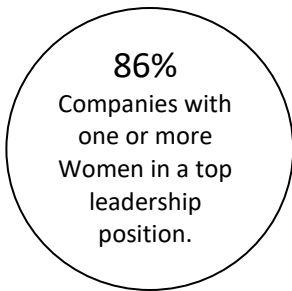


People of Color in Top Leadership Roles

Number of People of Color in Top Leadership	Frequency (# of Companies)	Valid Percent
0	33	53.4
1	11	17.5
2	7	11.1
3	5	7.9
4	2	3.2
5	1	3.2
7	2	2.1
12	1	1.6
13	1	1.6

- Men & Women Top Leadership Representation

Eight-six percent of companies reported having one or more women represented in one or more top leadership positions within the organization (President, CEO, Owner, Top Management Team, or Board of Directors). The table below summarizes the breakdown of the women who hold top leadership positions across the organizations in the sample.



Women in Top Leadership Roles

Number of women in Top Leadership	Frequency (# of Companies)	Valid Percent
0	9	13.8
1	17	26.2
2	8	12.3
3	9	13.8
4	4	6.2
5	9	13.8
6	1	1.5
8	1	1.5
9	1	1.5
10	1	1.5
11	2	3.1
15	1	1.5
18	1	1.5
24	1	1.5

Results

Outcome Measures. Presented below is a brief description of each outcome measure that was assessed in the LGBT Chamber study. To clarify, a definition is provided along with a description of the scale that was used to measure each outcome.

- ***LGBT Supportive Policies and Practices***

LGBT supporting policies and practices were measured using 16 items drawn from the research literature. We used items from Human Rights Campaign's 'Corporate Equity Index' (CEI) as used by Everly and Schwarz (2015), but also supplemented that measure with several additional items from Jayne and Dipboye (2004) to provide a more complete representation of LGBT supportive policies and practices. Each item was coded so that the presence of the policy was coded as 1 and the absence was coded as 0. The 16 items were then summed to create an overall scale of LGBT supportive policies and practices. The specific policies and practices and the proportion of companies who have adopted each are listed in Appendix I.

- ***Social and Environmental Factors of Corporate Social Responsibility (CSR)***

Corporate social responsibility (CSR) is the extent to which an organization cares for the well-being of its key stakeholders (*social*) and the natural environment with the purpose of creating value for the business (Glavas & Kelley, 2014; Waddock, 2004). Social and environmental CSR were each measured using four items from Glavas and Kelley (2014). Example items from the social CSR scale include, "Contributing to the well-being of employees is a high priority at my organization," and "Contributing to the well-being of customers is a high priority at my organization." Example items from the environmental CSR scale include, "Environmental issues are integral to the strategy of my organization," and "Addressing environmental issues is integral to the daily operations of my organization."

- ***High Performance HR Practices***

High performance HR practices are a coherent system of mutually reinforcing HR practices that have been shown to drive organizational effectiveness such as employee attitudes and behaviors (Kehoe & Wright, 2010), and ultimately organizational performance (Combs, Liu, Hall, & Ketchen, 2006). To measure high performance HR practices, we used a Wright and Gardner's 9-item measure. Respondents were asked whether their company had adopted nine specific HR practices. Example items include, "Our company provides employees a formal evaluation of their performance at least once a year," and "Our company uses structured interviews (e.g., job-related questions, same questions asked of all applicants and rating scales) when hiring job applicants."

- Quality of Workforce

To measure quality of the workforce we developed a 2-item measure that asked respondents to assess their company's performance relative to its competitors. The items were 1) quality of your workforce, and 2) workforce utilization.

- Firm Performance

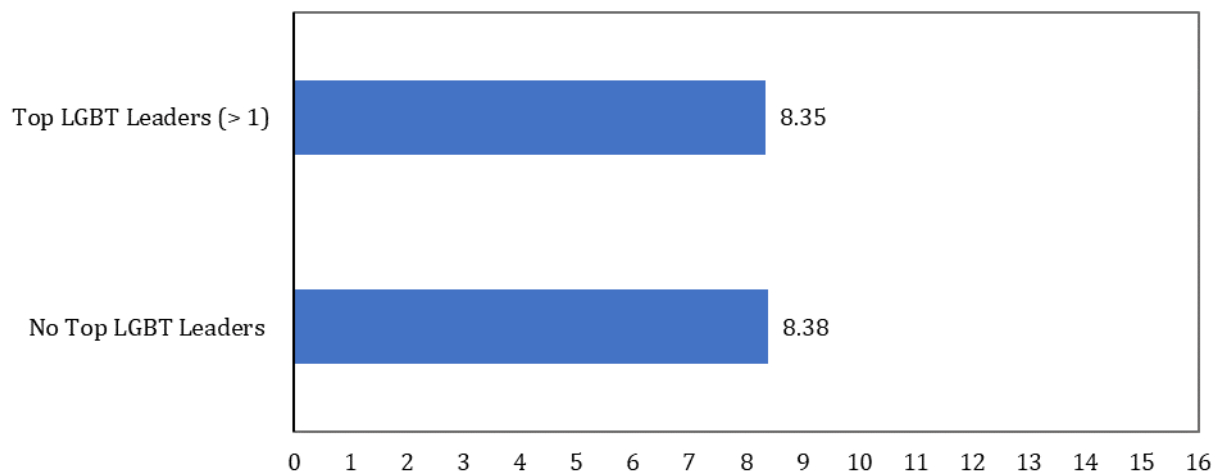
To measure firm performance, we used Carmeli, Schaubroeck, and Tishler's (2011) 4-item measure. Respondents were asked to assess their company's performance relative to its key competitors across four items 1) growth in net sales/revenues, 2) operational effectiveness, 3) innovation, and 4) meeting stakeholders' expectations.

Impact of Representation on Outcome Measures. Participant responses to questions were based on a five-point rating scale ranging from 1 = 'Strongly Disagree', 2 = 'Disagree', 3 = 'Neither Agree or Disagree', 4 = 'Agree', and 5 = "Strongly Agree." Results were calculated by averaging ratings for each outcome (mean scores). Thus, higher mean scores are an indication of higher organizational functioning whereas lower mean scores are an indication of an area with lower organizational functioning. The only exception to this is for the outcome, **LGBT Policies and Practices**, where each item was coded so that the presence of the policy was coded as 1 and the absence was coded as 0, and the items were then summed to form an overall scale where values could range from 0 to 16.

- LGBT Supportive Policies and Practices by LGBT Top Leadership Representation

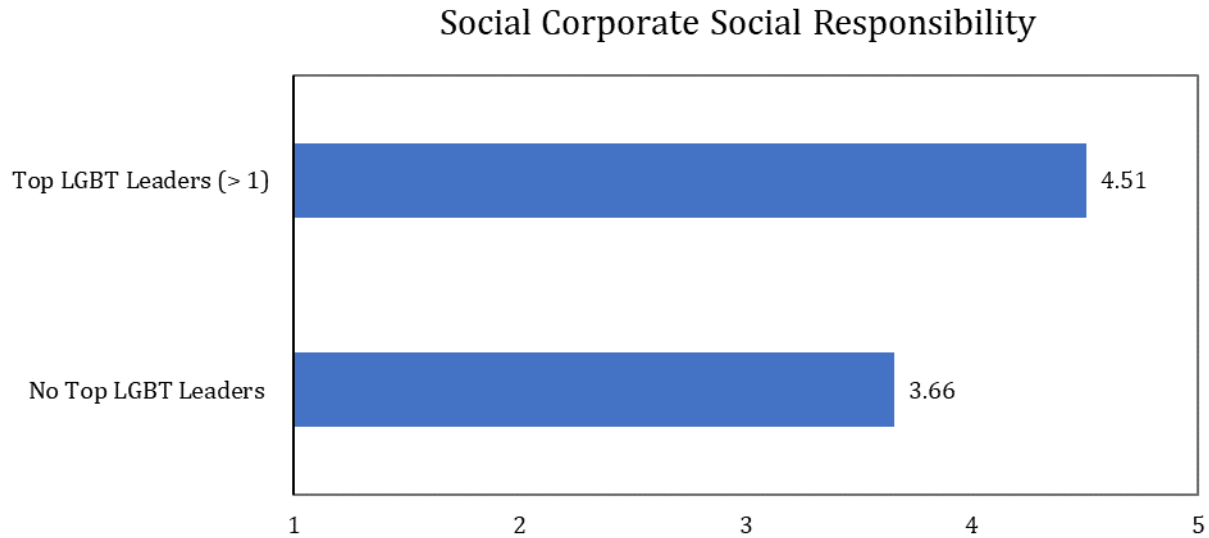
The results of a t-test revealed a statistically nonsignificant mean difference between those companies who had at least one LGBT person in a top leader position ($M = 8.35, SD = 3.94$) and those who had no LGBT top leaders ($M = 8.38, SD = 4.24$); ($t(53) = .02, p = .98$).

LGBT Supportive Policies & Practices



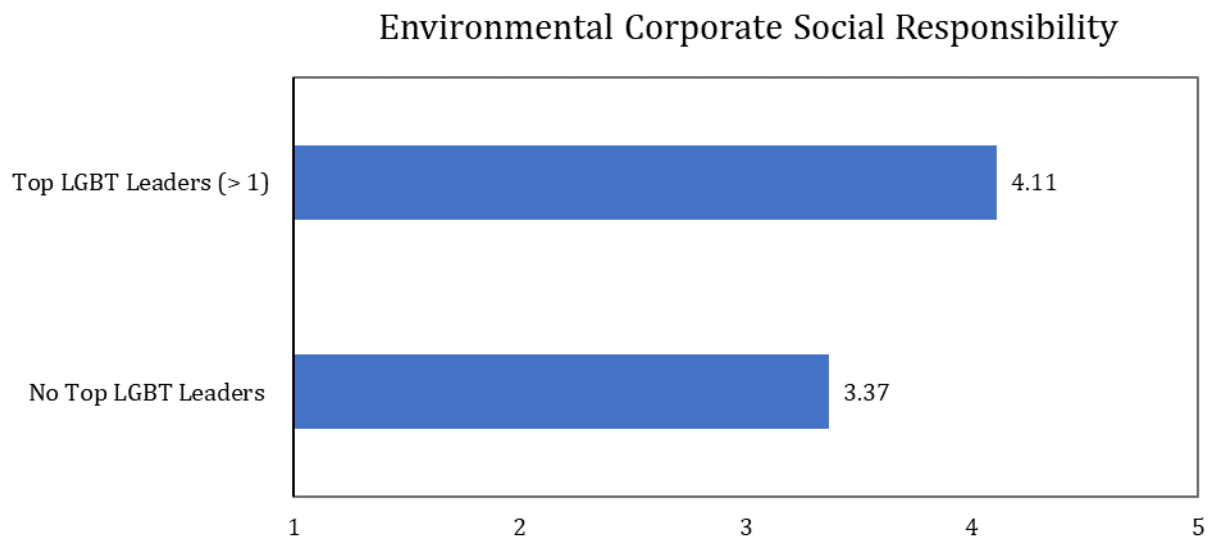
- Social Corporate Social Responsibility by LGBT Top Leadership Representation

The results of a t-test revealed a statistically significant mean difference between those companies who had at least one LGBT person in a top leader position ($M = 4.51, SD = 0.53$) and those who had no LGBT top leaders ($M = 3.66, SD = 1.21$); ($t(57) = -3.72, p < .01$).



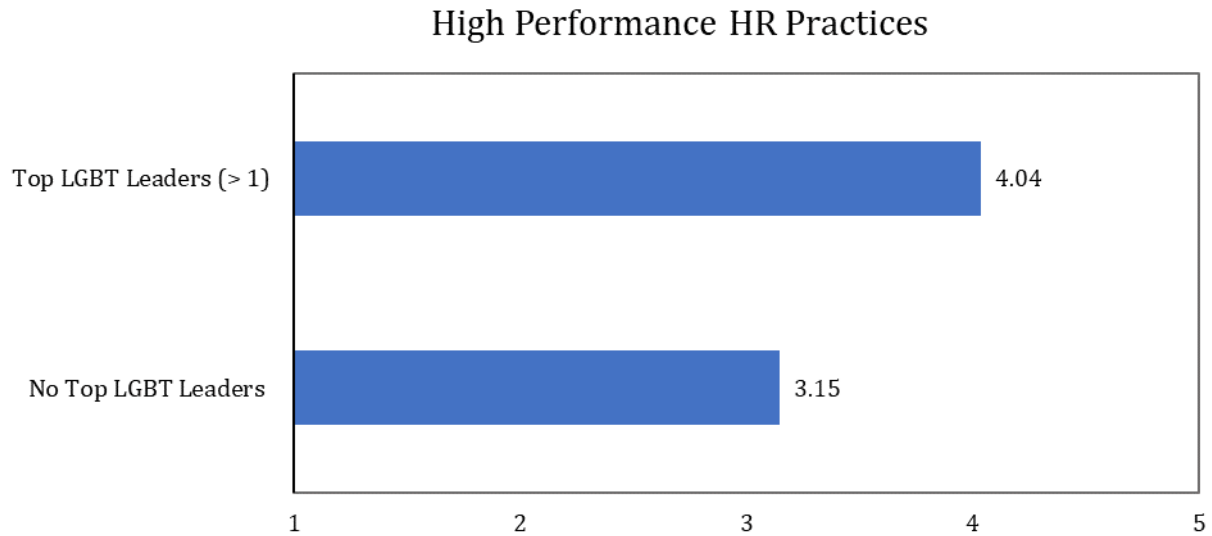
- Environmental Corporate Social Responsibility by LGBT Top Leadership Representation

The results of a t-test revealed a statistically significant mean difference between those companies who had at least one LGBT person in a top leader position ($M = 4.11, SD = 0.61$) and those who had no LGBT top leaders ($M = 3.37, SD = 1.19$); ($t(57) = -3.19, p < .01$).



- High Performance HR Practices by LGBT Top Leadership Representation

The results of a t-test revealed a statistically significant mean difference between those companies who had at least one LGBT person in a top leader position ($M = 4.04, SD = 0.66$) and those who had no LGBT top leaders ($M = 3.15, SD = 1.23$); ($t(57) = -3.61, p < .01$).



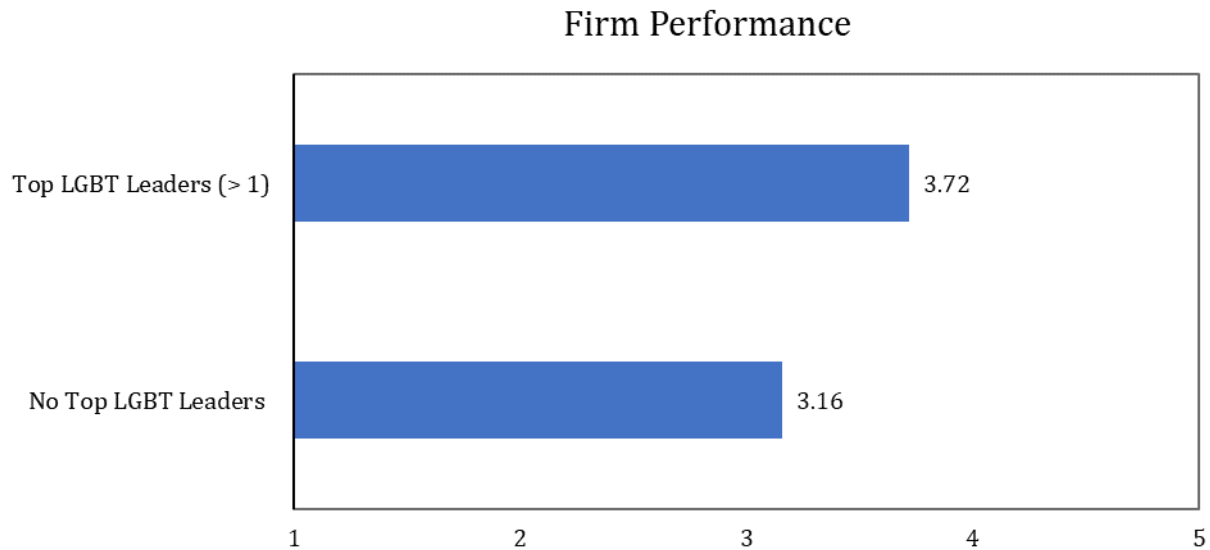
- Quality of the Workforce by LGBT Top Leadership Representation

The results of a t-test revealed a statistically significant mean difference between those companies who had at least one LGBT person in a top leader position ($M = 3.89, SD = 0.75$) and those who had no LGBT top leaders ($M = 3.04, SD = 1.12$); ($t(51) = -3.17, p < .01$).



- Firm Performance by LGBT Top Leadership Representation

The results of a t-test revealed a statistically significant mean difference between those companies who had at least one LGBT person in a top leader position ($M = 3.72, SD = 0.75$) and those who had no LGBT top leaders ($M = 3.15, SD = 0.92$); ($t(56) = -2.56, p < .01$).



Conclusion

Overall this study concludes that LGBT people hold important senior leadership positions within the sample of Wisconsin LGBT Chamber member organizations that responded to the survey. We note that the number of senior leadership positions reported here is likely higher than what might be reported in samples of non-LGBT Chamber organizations. This is because LGBT Chamber member organizations are somewhat unique in that they have already demonstrated a commitment to LGBT inclusivity by virtue of their membership in the LGBT Chamber.

Another conclusion is that among the organizations in this sample those that report having one or more LGBT people in senior leadership positions also report a variety of favorable outcomes compared to organizations with no LGBT people in senior leadership positions including levels of organizational performance, social and environmental corporate social responsibility, workforce quality and utilization, as well as high performance human resource management practices. No differences were found between respondents with one or more LGBT people in senior leadership positions and those without LGBT people in senior leadership positions in terms of the number of LGBT supportive workplace policies and practices. We speculate that this non-significant difference with regard to policies may be a function of organizational size. That is, larger organizations typically have more formalized policies and practices overall including those aimed at supporting LGBT workers.

References

- Carmeli, A., Schaubroeck, J., & Tishler, A. (2011). How CEO empowering leadership shapes top management team processes: Implications for firm performance. *The Leadership Quarterly, 22*, 399-411.
- Combs, J., Lui, Y., Hall, A., & Ketchen, D. (2006). How much do high-performance work practices matter? A meta-analysis of their effects on organizational performance. *Personnel Psychology, 59*, 501-528.
- Everly, B. A., & Schwarz, J. L. (2015). Predictors of the adoption of LGBT-friendly HR policies. *Human Resource Management, 54*, 367-384.
- Glavas, A., & Kelley, K. (2014). The effects of perceived corporate social responsibility on employee attitudes. *Business Ethics Quarterly, 24*, 165-202.
- Jayne, M. E. A., & Dipboye, R. L. (2004). Leveraging diversity to improve business performance: Research findings and recommendations for organization. *Human Resource Management, 43*, 409-424.
- Kehoe, R., & Wright, P. (2010). The impact of high performance HR practices on employees' attitudes and behaviors. *Journal of Management, 39*, 366-391.
- Waddock, S. A. (2004). Parallel universes: Companies, academics, and the progress of corporate citizenship. *Business and Society Review, 109*, 5-42.

Appendix I

Adoption of LGBT Policies & Practices

My organization...	Number Responding	Valid Percent
has an Equal Employment Opportunity policy that includes sexual orientation.	72	96%
has an Equal Employment Opportunity policy that includes gender-identity.	70	87%
has a LGBT employee resource group/network or diversity council.	71	28%
My organization offers the following partner benefits:		
A. offers domestic partner health insurance.	70	46%
B. offers domestic partner COBRA, dental, vision, and legal dependent coverage.	70	41%
C. offers adoption coverage for same-sex partners.	69	26%
offers transgender-inclusive insurance coverage for at least one type of benefit.	70	46%
covers the expense of LGBT conference and job fair attendance.	69	67%
sponsors LGBT community events or organizations.	70	86%
has a program to support LGBT owned suppliers.	69	29%
provides diversity awareness training focused on sexual orientation and gender identity.	69	54%
provides issue-based/prevention training focused on LGBT issues (e.g., discrimination and harassment).	69	49%
provides senior leadership addresses, town hall meetings, and/or business updates on LGBT-inclusive initiatives.	69	38%
has gender transition guidelines in place.	70	16%
provides a Newsletter, or internal Web site that includes information on LGBT issues.	70	31%
exhibits responsible behavior towards the LGBT community (e.g., does not engage in action that would undermine LGBT equality).	69	93%