



LGBTQ+ Directors on Corporate Boards: Making Their Perspectives Heard

A Nasdaq rule requiring most boards to have at least one director who self-identifies as either LGBTQ+ or from an under-represented racial or ethnic group — or provide an explanation for not doing so — has sparked conversations about representation, disclosure and coming out for LGBTQ+ directors.

This rule underscores a true societal shift. The rule has encouraged boards to focus on LGBTQ+ representation and has emboldened some LGBTQ+ directors to publicly share this very personal part of their identity. In 2022, 103 S&P 500 boards (21 percent) included LGBTQ+ disclosure in their proxy statements, a significant increase from 32 (6 percent) in 2021. Of the 103 boards, 74 included a general statement about their LGBTQ+ representation and 29 boards identified LGBTQ+ directors by name. As a comparison, just five LGBTQ+ directors were named in 2021.

We spoke with several LGBTQ+ directors and nominating/governance committee chairs about the decision to be out on the board, the contributions of directors from historically under-represented groups, including LGBTQ+ directors, and how new directors can become an effective voice on the board.

Sharing a unique perspective

Like any director, LGBTQ+ directors must have relevant skills and contribute broadly to the board. But their personal experience allows them to bring important perspective on critical business issues and areas of opportunities and risk, whether that's related to talent development, compensation, succession planning, product roadmaps or an ad campaign. That is especially true when the LGBTQ+ community is well represented among the company's customers and associates, who are delivering the brand experience.



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VICE PRESIDENT AND TREASURER,
ALPHABET AND GOOGLE AND
NON-EXECUTIVE DIRECTOR,
BATH & BODY WORKS

“Nothing matters more than growth in boardrooms, so it just becomes a business imperative to have that insight and experience at the board level to drive decisions that will help you to drive growth across a broad spectrum,” said Juan Rajlin, vice president and treasurer of Alphabet and Google and non-executive director at Bath & Body Works. The value of this perspective is hard to quantify but plays out in many different ways that benefit customers, employees and stakeholders — and wouldn't happen if there were only straight voices in the room. Rajlin likens it to enhancements to Google products stemming from the LGBTQ+ employee group's role in new product development. “The LGBTQ+ employee resource group, along with many other ERGs at Google, played a key part in helping the company design an inclusive product development process so that we consider the experience of diverse users from the get go. As a company that aspires to build for everyone, we need to consider the user experience of all our users and especially underrepresented groups whose voices may be left out unless you build this into the product design process.”

Having LGBTQ+ directors in the boardroom increases the visibility of the community and its concerns, added Betsy Bernard, who serves as the corporate governance committee chair for Zimmer Biomet. “It's the perspective of a very critical community that includes our associates, our customers, our investors, etc., so benefitting from that perspective is important. And it can help people confront their biases just by being who we are. They see us coming to employee events with our families, with our children, with our wives, with our husbands, and it normalizes who we are.”





A natural area for LGBTQ+ directors and others from underrepresented groups to contribute is talent, particularly related to board oversight of diversity, equity and inclusion in the company. “Our job really is to expand management’s thinking,” said Asha Collins, an independent director for IDEXX. “For me, it is really important to understand the ways that I can uniquely expand the thinking of the executive team that other people may not and picking those moments that will have the biggest waterfall, the biggest domino effect, even if it’s one single question on one single topic.”

In particular, the board can drive change through accountability, said Joie Gregor, a former nominating/governance committee chair for ConAgra Brands. “The only way you get serious about change is to put it in people’s measurements. You measure it. You measure it every single day of the quarter. Every time you talk to the board, you’re going to share the metrics with them. That’s how the board communicates, ‘We’re doing this,’ and then there have to be programs underneath it,” Gregor said.

Making your voice heard

Board dynamics are complex, so learning how to use their unique voice effectively in the boardroom is important for LGBTQ+ directors. Being an LGBTQ+ director can mean navigating poles of progressive and conservative opinions, building allies and credibility, and learning when to pound the table, bide your time or influence behind the scenes. The right approach also depends on the personality and comfort of the individual. Here is some advice for navigating board dynamics.

Listen and learn

Gregor views changing perceptions of diversity, equity and inclusion as a long-term proposition that involves learning the system, gaining credibility and driving change over time.

“The directors I work with are inquisitive. They’re willing to listen and shift their views if necessary and help others get on board with an idea,” she said. “There is a lot of learning that goes on when you’re on a board. I listened a lot, and I talked, but I didn’t try and change the company Day One. That’s where people go wrong. They think, ‘This is the community I represent. I need to have everybody understand that.’ I don’t think that’s a good idea.”

Michael Camuñez, an independent director for Edison International, advises new directors to learn the culture, dynamics, director personalities and the personality of the board: “You didn’t work so hard to get in this room to marginalize and isolate yourself.” Also realize that how you build credibility outside of the boardroom doesn’t always work inside it, where collegiality is often prioritized. “For many minorities, a big part of being successful was to make sure you were seen and to participate.” This approach propelled him from a childhood in which his family struggled financially to being a senior White House and sub-cabinet official in the Obama Administration. “A lot of those same rules do not work in the boardroom and may alienate you from other directors.” Adaptability and flexibility are key.

Build relationships and engage allies

Getting to know other directors outside the boardroom can go a long way toward building credibility and mutual respect, even among people who have very different views. In some cases, LGBTQ+ directors influence perceptions by being vulnerable in sharing their own experiences and points of view, which invites openness about different perspectives in others. Eventually, as other directors increase their understanding of LGBTQ+ issues, they are more likely to speak up. Other times, more overt strategizing with allies before a board meeting is valuable, so that LGBTQ+ directors themselves aren’t always having to be the one to raise issues or counter faulty assumptions in the moment. “That’s what allies should look like. If I’m the one who’s always bringing it up, then we’re failing,” Collins said.

Understand how to have impact

With insight into the people, the board dynamics and the issues facing the business, directors will be well-positioned to determine the best approach for raising issues and pointing out board blind spots when it comes to the LGBTQ+ community. “My advice for navigating the board is the same for navigating work and life: Listen, be respectful, make sure that your comments are additive and adding value, and ask lots of questions,” said Bernard.

Directors said they are conscious about which messages they deliver during board meetings and which they deliver one-on-one behind the scenes. Large companies have many stakeholders and a lot of competing demands, so directors say they have learned to pick their battles. How you communicate can be as important as what you say. Gregor concurs: “It’s how you deliver the message.”

But don’t be afraid to contribute to board discussions. Relatively new to the boardroom, Rajlin said he understands why new directors may be inclined to hold back in a new setting, but he received valuable advice early on from a fellow board member: “Check imposter syndrome at the door and start sharing your views. Don’t let the quiet sink in because it’s hard to get out of it. Start sharing your point of view. It’s valued. It’s valuable.”



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BETSY BERNARD
CORPORATE GOVERNANCE COMMITTEE
CHAIR, ZIMMER BIOMET

Valuing diverse perspectives

Acceptance of the LGBTQ+ community in society has increased dramatically in the past 30 years. This is true in the boardroom as well, and in many cases being gay is a non-issue. The LGBTQ+ directors we interviewed largely have had positive experiences on their boards, but observed that cultures that are change-resistant or unwelcoming to different perspectives will struggle to attract and retain LGBTQ+ directors.

Many LGBTQ+ people have become experts at reading situations and dynamics to assess where there are allies or people who are less welcoming to different perspectives. Boards that want to benefit from the diverse viewpoints that reflect their changing customer and employee bases will make sure they are inclusive and welcoming.

“Directors from underrepresented groups are going to look at the board, try to assess whether they are likely to face biases and consider whether the tradeoffs are worth it,” said Collins. “Do I want to take that on? Do I need additional fights or additional spaces where I can’t be myself? Board members should understand that they are also being interviewed by candidates, who are assessing the culture of the boardroom and the costs and benefits of being in that boardroom.”

Rajlin advises LGBTQ+ leaders aspiring to board service to be upfront about this part of their identity. “Put it out there, out of the gate so that is part of your mix. I spent 10 years at work not being out, my first 10 years, so I don’t ever want to be in a situation where I’m hiding. Whenever someone says something like, ‘your wife,’ I immediately in a friendly way correct that. I spent a long time doing all of that covering.”

For some, the decision to be out in the boardroom is straightforward: It’s a matter of being authentic and not hiding an important part of themselves. “When I can bring my full self to the boardroom, it allows for a more honest and direct conversation about different, difficult issues. It facilitates honesty in others,” said Camuñez. Others feel a responsibility to be a visible role model to their organizations and to those who are less able to be open about themselves. Several directors said employees have reached out to them privately to thank them for being out on the board.



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INDEPENDENT DIRECTOR, IDEXX



For many LGBTQ+ directors today, it is easier to be out and be their authentic selves in the boardroom, and the directors we interviewed largely have had positive board experiences. Boards benefit from LGBTQ+ directors' unique perspectives, including their ability to illuminate business opportunities and risks relevant to a key community for the company. Like all directors, LGBTQ+ directors have to learn how to be effective in the boardroom by building relationships, contributing on a broad range of topics, understanding the dynamics of the board and becoming fluent in the business. And, like other directors, they want to serve on boards where they feel welcomed and can have an impact. Most will choose to serve on boards with open, flexible cultures that value the unique perspective they bring.



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